# Daily Report

# East Asia

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*FBIS-EAS-90-213* *2 November 1990*

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## Japan

### Spokesman Outlines Yen Loans for PRC

*OW0211110090 Tokyo KYODO in English 1009 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—Japan has decided to extend up to 36.5 billion yen as the first portion of its unfrozen official yen loans to China, a Foreign Ministry spokesman said Friday.

Spokesman Taizo Watanabe told foreign correspondents that the 36,511 million yen to be advanced will finance seven projects in the Japanese fiscal year 1990, which began in April.

"This official development aid is expected to contribute to the economic stability (of China) and promote economic modernization efforts of that country," Watanabe said.

He said the loan announcement comes in the wake of China's increasingly cooperative attitude in relations with the West on such issues as the Persian Gulf situation and Cambodia, adding that China has also been consistently pursuing economic reform.

The spokesman noted that the loan announcement follows closely after the European Community's decision on October 22 to resume aid talks with China. The World Bank and the Asian Development Bank (ADB) are also considering resumption of economic aid to China, he said.

Notes covering the loan pledge were exchanged between representatives of the Japanese and Chinese Governments in Beijing earlier in the day, Watanabe said. A formal loan agreement will be concluded later, he said.

The loan package is a portion of Japan's overall pledge of 810 billion yen in loans to China for 42 projects during the period 1990-1995. The pledge was made in 1988 by then Prime Minister Noboru Takeshita.

Actual extension of the loans was delayed by Japan's suspension of economic assistance to China in the aftermath of the June 1989 crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square.

As for the remaining portion of the funds pledged in 1988, the spokesman said their dispersal would be tied to "the change of situation within China and also ...China's policy on matters of international concern."

Watanabe said that up to 35.1 billion yen of the loans would be from the Overseas Economic Cooperation Fund (OECF).

The spokesman said the loans will carry a particularly low interest rate of only 2.5 percent per annum, with repayment to be made by China over a period of 30 years, including a 10-year grace period.

In comparison with previous Japanese aid to China, the loans this time will be "totally untied," Watanabe said. He added that the tying of previous loans to China was an exception to the general rule of providing untied aid.

The main part of the funds will go to urban water supply projects in Tianjin, Hefei, and Anshan, with up to 8,866 million yen available for those projects.

Construction of road bridges in Wuhan and Huangshi, two cities in Hubei Province, will be allotted up to 8,460 million yen.

Up to 6,445 million yen will go to a multipurpose dam construction project in Lianoning Province, while another dam and power station project on the upper reaches of the Yuan River in Hunan Province will receive up to 3,100 million yen.

The remaining 9,640 million yen will be spread over three fertilizer plant projects in Shanxi Province, Yunnan Province, and Inner Mongolia.

### Ozawa Urges Passing UN Cooperation Bill

*OW0211072590 Tokyo NHK General Television Network in Japanese 0300 GMT 2 Nov 90*

[Text] Liberal Democratic Party [LDP] Secretary-General Ichiro Ozawa, at a news conference after an executive meeting on 2 November, touched on the UN Peace Cooperation Bill, which is the focal point of the Diet session. He stressed that the LDP plans to make persistent efforts up to the last minute to pass the bill in the lower and upper houses.

At the news conference, Secretary General Ozawa said: Because the discussions at the current Diet session are focused on Japan's actions in international society, it is necessary to have this fact well understood internationally. In order to do that both leading and opposition parties need to hold serious discussions and each party should clarify its opinions after carefully studying the issue. Then, the upper and lower houses must make their decisions. We will not be able to obtain understanding from the people if we obscure the issue. Not only that; we also will be giving the impression to the world that Japanese politics is mysterious.

Thus, Secretary General Ozawa stressed making persistent efforts up to the last minute to pass the bill in both the lower and upper houses.

Of the opposition parties which hold the majority in the House of Councillors, the Socialist Party, Komeito, and the Communist Party insist on scrapping the bill in the lower house, so it is unlikely the bill will be passed in the current extraordinary Diet session. Thus, there is a growing opinion in the LDP that it is inevitable that the bill will be scrapped in the House of Representatives in order to leave a chance for future discussions between leading and opposition parties.

With this background, it is understood that Secretary General Ozawa stressed the executive committee's hope, from the viewpoint of Japan's international position, to at least pass the bill in the House of Representatives, where the LDP holds the majority.

### Naha, Sapporo Hearings on UN Bill Held

*OW0211100690 Tokyo KYODO in English 0827 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—Speakers backed by the ruling Liberal Democratic Party (LDP) and opposition parties on Friday argued against the proposed United Nations Peace Cooperation Bill at public hearings in Naha and Sapporo.

A total of 12 speakers testified on the ramifications of sending Self-Defense Force (SDF) personnel abroad to help in peacekeeping activities.

The hearings were arranged by the House of Representatives' special committee on the legislation.

Five out of six speakers in Naha told participants that sending SDF members would violate the "peace Constitution" and would also run counter to the feelings of Okinawans.

Okinawa was the only place in Japan where ground battles occured during World War II. Some 188,000 Japanese and 12,500 U.S. soldiers were killed during an 82-day battle on the island in 1945.

Yutaka Miyagi, a witness called by the LDP who is managing director of the prefectural employers' association, said he understood the motivations behind the legislation but that he could not support the sending of SDF personnel overseas.

Transporting soldiers and weapons would also violate the Constitution, he said.

Masahiko Nakamatsu, an LDP Prefectural Assembly member, said using the SDF overseas would be a radical departure from Japan's current defense policy that he could not endorse.

Seiichi Sakugawa, president of the University of Okinawa who was called by the opposition Japan Socialist Party [JSP], said dispatching the SDF abroad with sidearms to provide logistic support would amount to unconstitutional involvement in collective defense.

Only Takahiro Chibana, a lawyer backed by the LDP, said he could support the bill.

In Sapporo three speakers recommended by the JSP and Komeito expressed their objection to the bill, while three speakers backed by the LDP said they favored the legislation.

### Factions May Be Ready To Give Up on UN Bill

*OW0211132090 Tokyo KYODO in English 1301 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—The government and the ruling Liberal Democratic Party [LDP] have concluded that it will be very difficult to pass the controversial U.N. Peace Cooperation Bill through the Diet, parliamentary sources said Friday.

The government of Prime Minister Toshiki Kaifu and the governing party are now showing indications they may give up pushing the bill through the current extraordinary Diet session, which is scheduled to adjourn on November 10, the sources said.

It is likely the bill will be scrapped in the House of Representatives because all opposition parties are demanding its withdrawal, the sources said. Revolt within the LDP over the bill came to a head on Friday, forcing Kaifu to cancel a long-scheduled stumping tour of Okinawa. Kaifu was scheduled to travel to Okinawa on Sunday to campaign for the LDP candidate in the gubernatorial election but canceled the trip after the LDP prefectural chapter in Okinawa expressed objection to the bill. Kaifu, however, told reporters Friday he will make a last-ditch stand to gain the support of the people over the true nature of the legislation.

LDP Secretary General Ichiro Ozawa also said the Liberal Democrats will seek to pass the bill in the lower house and send it for a vote in the upper house. "We must not leave the matter unsettled. We must have the Diet's decision over the bill through full deliberation," Ozawa said.

The LDP enjoys an ample majority in the lower house but the opposition camp holds a majority in the House of Councillors. The bill needs to be approved by both chambers.

Takashi Yonezawa, secretary general of the opposition Democratic Socialist Party (DSP), told reporters that the government and the LDP should withdraw the bill. The DSP has said it will conditionally support the legislation, which would allow the participation of noncombat personnel from the Self-Defense Forces [SDF] in U.N. peacekeeping activities.

The other opposition parties, the No. 1 opposition Japan Socialist Party, Komeito and the Japan Communist Party oppose the bill, saying overseas deployment of the SDF is unconstitutional, and insisting the bill should be scrapped in the lower house.

Speakers backed by the LDP argued against the legislation at a public hearing of the lower house's special committee on the bill held in Naha.

A two-day public hearing of the special committee of the lower house on the bill ended Friday and the LDP intends to end committee deliberations on Monday for a vote. However, the opposition camp maintains that it

will boycott deliberations in the committee unless the LDP promises to continue discussions.

### Amendment Plans Wider Government Aircraft Use

*OW0211061890 Tokyo KYODO in English 0601 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—An amendment to the Self-Defense Forces (SDF) law allowing wider use of government aircraft to aid refugees and rescue Japanese overseas will likely be submitted in the next ordinary session of the Diet, a government source indicated Friday.

The amendment is expected to be met with stiff resistance by opponents of the controversial United Nations Peace Cooperation Bill, who see it as an attempt to expand the SDF's role abroad, the source said.

The source said the amendment would cover two Boeing 747-400 aircraft to be delivered to the government next fall. The planes were ordered in 1987 by the government after Japanese nationals caught in the Iran-Iraq war had to be evacuated from the area in 1985 on foreign commercial airliners. He added, however, that the government's new planes will not be available for transport by Japanese involved in peace-keeping activities in the Persian Gulf.

Following the approval of the nation's budget for next year, the government will propose the amendment which would give the SDF the responsibilities of operating and maintaining the aircraft. The SDF is already in charge of the government's helicopters.

In order to ensure passage of the amendment, the government will likely have to limit use of its aircraft to the rescue of Japanese overseas and avoid mentioning the transport of goods and materials, according to the source. "Under the present SDF law, the government planes when they are introduced, can only transport VIPs. We would like the aircraft to be used for the rescue of Japanese overseas or assisting of refugees," the source said. The SDF law amendment will be offered during the next ordinary session of the Diet, the source said.

The government decided in 1985 to buy its own aircraft after Japanese nationals had to be evacuated from the Middle East during the Iran-Iraq war on foreign civilian aircraft. As a result, it purchased two Boeing 747-400 aircraft in 1987 and expects delivery next November.

### Nakasone Hopes Trip To Yield Shuttle Diplomacy

*OW0111115290 Tokyo KYODO in English 1134 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Former Prime Minister Yasuhiro Nakasone told Prime Minister Toshiki Kaifu on Thursday that he hopes his meeting with Iraqi President Saddam Husayn to discuss the Gulf crisis will be the start of a bout of shuttle diplomacy.

"I don't know if this will be a single-shot deal, or whether it is the start of a series of visits. That will become clear only after the meeting," Nakasone said he told Kaifu ahead of his departure Saturday. Nakasone told reporters after the 30-minute meeting that he hopes his trip will contribute to the peace process, but declined to mention any specific initiatives.

Kaifu offered his blessings for the trip, noting that the situation in the Persian Gulf is very tense, Nakasone said. "It is important for Japan to participate at this stage. I plan to back you up all the way," Kaifu was quoted as saying.

Chief Cabinet Secretary Misoji Sakamoto reiterated to reporters that Nakasone is making the visit in his private capacity, but that the government views the contact as a continuation of dialogue between the two countries.

Nakasone will not be carrying any official communication from Kaifu, but the two agreed that Nakasone will act within the framework of United Nations resolutions and Japanese foreign policy.

Nakasone is expected to meet with Japanese hostages, and call for the release of all foreign hostages during his five-day trip. There are 305 Japanese in Iraq, including 139 men being held as "human shields" at strategic facilities.

Earlier visits to Iraq by former British Prime Minister Edward Heath and Austrian President Kurt Waldheim led to the release of hostages from their countries. Nakasone will be traveling with a delegation from the ruling Liberal Democratic Party led by Deputy Secretary General Koko Sato.

### Increasing UN Bill Opposition Among Assemblies

*OW0111144490 Tokyo KYODO in English 1430 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Voices against the overseas dispatch of Japanese Self-Defense Forces (SDF) personnel have grown louder among local assemblies across the nation, according to a survey conducted by KYODO NEWS SERVICE. The survey said eight prefectural and municipal assemblies have so far adopted resolutions opposing the government-proposed United Nations peace cooperation bill, which would pave the way for the dispatch of SDF personnel abroad.

Six other local assemblies also have adopted resolutions calling on the Japanese Government to initiate a peaceful settlement of the Persian Gulf crisis, the survey said.

The proposed bill is aimed at creating the U.N. peace cooperation corps which would include members of the SDF who would serve in noncombat roles, to help in U.N. peacekeeping activities abroad.

Most opposition parties are opposed to the planned overseas dispatch of SDF personnel, saying it runs

counter to the constitutional ban on participation in collective self-defense. Heated controversy over the bill among local assemblies emerged around October 12 when a monthlong extraordinary session of the Diet.

On October 11, the Chiba Prefectural Assembly unanimously adopted a resolution urging the government to take the initiative for the peaceful settlement of the Gulf crisis. Within days, this was followed by similar resolutions from the Niigata and Tokushima Prefectural Assemblies.

On October 24, the Sapporo Municipal Assembly expressed its opposition to the bill and the dispatch of SDF personnel overseas, and the Hokkaido Prefectural Assembly adopted a similar view the following day. Such expressions of opinion against the bill were adopted at six other municipal assemblies in Kesennuma in Miyagi Prefecture, Tanashi in Tokyo, Chigasaki in Kanagawa Prefecture, Owase and Meiwa in Mie Prefecture, and Tomari in Tottori Prefecture.

A total of 11 female municipal assembly members in Kawasaki, Kanagawa Prefecture, and Sakai, Osaka Prefecture, sent their statement demanding withdrawal of the bill to Prime Minister Toshiki Kaifu. The survey also said even members of the Miyagi Prefectural Assembly belonging to the ruling Liberal Democratic Party expressed concern about the bill.

## Saudi Arabia, Iran To Raise Shipment Prices

*OW0111120290 Tokyo KYODO in English 1137 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Saudi Arabia and Iran will raise prices for crude oil for October shipment to Japanese customers importing their oil under long-term contracts, industry sources said Thursday.

The price hike follows an increase in the spot price of Dubai, a benchmark Middle East crude oil which serves as a price-setter for Saudi and Iranian oil prices, they said. As a result, Saudi Arabia will raise prices of its Arabian light by 1.41 dollars to 32.47 dollars a barrel and its Arabian heavy by 0.71 dollars to 29.97 dollars, the sources said. Prices of Iranian light and heavy, two benchmark Iranian crudes, will be raised by 1.11 dollars each to 32.47 dollars and 31.77 dollars, respectively.

Japanese oil refiners and wholesalers will determine the domestic wholesale prices of refined products such as gasoline and kerosene for November on the basis of prices of oil from Saudi Arabia and Iran as well as the United Arab Emirates and other major oil suppliers.

The sources said the cost of imported oil in October will likely be settled roughly at the same level as in September, but price swings will be seen in some refined products in November on a company-by-company basis according to the weight of a specific crude in each firm's imports. They added, however, the impact of such price changes on retail prices would be small.

## Saudi Arabia To Raise LPG Prices This Month

*OW0111124990 Tokyo KYODO in English 1212 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Saudi Arabia has notified Japanese distributors that it will raise the price of liquefied petroleum gas (LPG) on November shipments by about 10 dollars per ton, or 4.5 percent, industry sources said Thursday.

The new LPG price will thus be 239.59 dollars per ton and the price of butane gas for industrial use will be set at 236.31 dollars. But the price of yen-based imports of LPG from Saudi Arabia will be virtually cut thanks to the rising value of the Japanese currency. Saudi Arabian LPG prices were raised by 65 percent in September from the preceding month and by 38 percent in August.

## Anti-Enthronement Bomb Attack Kills Policeman

*OW0211013090 Tokyo KYODO in English 0115 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—A policeman died and six people were injured, some seriously, in a series of bomb explosions at two police dormitories in Tokyo late Thursday and early Friday. Police believe the bombs were planted by extremists opposed to the enthronement ceremony of Emperor Akihito this month.

Two explosions ripped the five-story Seiwa Dormitory of the Tokyo Metropolitan Police Department (MPD) in Shinjuku shortly before 11 p.m. Thursday, police said. The first bomb exploded at the eastern side of the dormitory, killing policeman Hiroshi Aoki, 48.

The second bomb went off about five minutes later near the same spot, injuring six people who had rushed to the scene—four policemen living in the dormitory, and the matron and her son, police said. About 85 people are living in the dormitory. Aoki met the accident when he was on a regular patrol of the area.

Two other explosions took place but caused no injuries at another MPD dormitory in Setagaya, Tokyo, early Friday morning when police personnel were inspecting suspected bombs planted at the dormitory. The devices, both cylinders 25 centimeters long and eight centimeters in diameter, were found hanging on a surrounding fence and on the wall on the dormitory's western entrance. The three-story dormitory houses 30 people.

Police said they suspected the bombs were planted by extremists who are targeting MPD facilities to disrupt tight security measures for the emperor's enthronement ceremony November 12.

Thursday and Friday's explosions are the 60th incidence of guerrilla activities by extremists this year, but this is the first time that police personnel have been killed or injured as a result of such acts, police said. The authorities will mobilize a record 37,000 police to provide security for the enthronement ceremony.

## Leftist Group Develops Mortars for Enthronement

*OW0111074190 Tokyo KYODO in English 0658 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Police said Thursday they have discovered that a radical leftist group has developed powerful mortar shells to disrupt Emperor Akihito's November 12 enthronement ceremony.

Officials of the Tokyo Metropolitan Police Department said they uncovered the plot from documents seized in a raid on a Chukakuha (Middle Core Faction) hideout in Tokyo.

The extremist group had apparently made at least 20 mortar shells and hid the shells at another hideout, the officials said.

They said the group also had developed a timing device for the homemade rocket launcher.

The streamlined shell is 30 centimeters in length, four centimeters in diameter and 1.5 kilograms in weight. It can reach a target more than four kilometers away.

The officials said the shells are more powerful than those the group used on May 4, 1986, when it fired homemade rockets at a state guest house in central Tokyo where the Tokyo summit meeting was being held.

## Government Considers Use of Anti-Subversive Law

*OW0211090690 Tokyo KYODO in English 0805 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—The government said Friday it may apply a controversial antisubversive activities law to enforce the disbandment of extremist organizations.

The government statement followed overnight bomb attacks against two police facilities in which a policeman died and six persons were injured.

Police said they believe the bombs were planted by extremists opposed to Emperor Akihito's enthronement ceremony later this month.

Chief Cabinet Secretary Misoji Sakamoto said that the Public Security Investigation Agency is considering whether to apply the Subversive Activities Prevention Law.

The law is controversial because critics say it could be used to limit people's freedom of thought, assembly, and association, as well as freedom of expression as guaranteed in the Constitution, on the grounds of protecting public safety.

Under the law, introduced in 1952 to maintain public security after the allied occupation of Japan ended, the authorities can restrict the activities of and ban organizations that resort to "terroristic subversive activities."

The law, which gives the authorities wider powers than the criminal law, has been used against individuals but never against groups.

When the bill was introduced it sparked heated debate in the Diet, with some legislators claiming it was aimed at controlling groups affiliated with the Japan Communist Party and other left-wing political organizations.

Sakamoto said in the news conference that the government "will use every available legal measure to try to eradicate terrorist attacks."

"This sort of mean act of terrorism can not be permitted by a democratic society," he said in a prepared statement.

Earlier in the day at a regular Cabinet meeting, National Public Safety Commission Chairman Keiwa Okuda called for a "resolute decision" to enable an effective response to extremist groups bent on disturbing the November 12 enthronement ceremonies.

No group has yet claimed responsibility for the most recent bombings, the 60th alleged incidence of guerrilla activity by extremists this year.

Prime Minister Toshiki Kaifu on Friday also condemned the attack as "extremely regrettable," and called for stricter security measures.

Kaifu avoided responding directly to a reporter's question about whether he planned to impose the subversive activities prevention law against organizations.

He said the government has to prevent the recurrence of such an attack, "regardless of" the application of the subversive activities law, he said.

The explosions occurred late Thursday and early Friday morning at two Tokyo police dormitories.

The first explosion in Shinjuku killed police officer Hiroshi Aoki, 48, and injured six other persons.

There were no casualties in the second explosion at a dormitory in Setagaya Ward.

Extremist groups have vowed to disrupt the enthronement ceremony, to be attended by some 500 foreign dignitaries, including royalty and heads of state.

Some 37,000 police have been mobilized for security during the ceremony.

The latest attacks came just one week after the Cabinet vowed to take resolute action against "terrorists" who threaten to disrupt the nation's first enthronement in 60 years.

### PRC Names Vice Premier Wu as Coronation Envoy

*OW0111151590 Tokyo KYODO in English 1453 GMT 1 Nov 90*

[Text] Tokyo, Nov 1 (KYODO)—China will send Vice Premier Wu Xueqian to Japan to attend the enthronement ceremony for Emperor Akihito on November 12, Foreign Ministry officials said Thursday.

Officials said China informed Japan of Wu's selection earlier in the day. They were unable to provide the dates for Wu's arrival and departure.

Wu, one of China's three vice premiers, served as foreign minister before the post was assumed by Qian Qichen, China's representative to the funeral ceremonies for Emperor Hirohito in February 1989.

The officials declined to comment on China's selection on the grounds of diplomatic propriety.

But they appeared satisfied in light of the fact that Wu is ranked higher than the Chinese funeral representative in 1989.

Diplomatic observers have recently been speculating as to who the Chinese would send to the coronation ceremony and why they have delayed their announcement for so long compared with other countries.

China has been gratified with Japan's decision to move a step ahead of its Western allies and resume loans suspended in the wake of the June 1989 crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square.

But it has been disenchanted at a territorial dispute over the Japanese-controlled Senkaku Islands 190 kilometers north of Taiwan, as well as over the Japanese Government's attempts to pass a bill through the Diet allowing the dispatch of Self-Defense Forces (SDF) personnel overseas in conjunction with United Nations peacekeeping operations.

### Nelson Mandela Leaves Tokyo for Malaysia

*OW0111021190 Tokyo KYODO in English 0128 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—South African black nationalist leader Nelson Mandela left Tokyo on Thursday for Malaysia on the last leg of a 20-day five-nation Asia-Pacific tour.

During a six-day stay in Japan, Mandela addressed the Japanese legislature, met Prime Minister Toshiki Kaifu, and attended antiapartheid rallies.

The 72-year-old deputy president of the African National Congress requested financial help for the group from Japan, but Kaifu declined, saying Japan cannot provide assistance to a specific political organization.

Become coming to Japan, Mandela visited India, Indonesia, and Australia.

### Chinese Residents Protest Patrol at Senkakus

*OW0111111190 Tokyo KYODO in English 1049 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Chinese residents in Japan on Thursday filed a protest against the Japanese Government for patrolling a group of islands in the East China Sea also claimed by China.

A statement, in the name of the Japan Headquarters of the Paris-based Federation for Democracy in China and three other pro-democracy activist groups, charged that Tokyo's patrolling of the Senkaku Islands—known as Diaoyutai in Chinese—reflected its "militaristic expansionism," which "challenges" the Chinese people.

Three Chinese residents of Japan handed the Chinese-language document to an official at the prime minister's office, who said it would be delivered to Prime Minister Toshiki Kaifu.

Japanese patrol boats turned away Taiwanese fishing boats whose crew members attempted to land on one of the islands southwest of Okinawa and northeast of Taiwan last month.

The statement also criticized a group of Japanese rightists for erecting a lighthouse "with government approval on the Chinese territory."

It also touched on "the Japanese Government's denial of responsibility for the invasion of China during World War II" and "falsified" descriptions of the invasion in Japan's history textbooks.

Thursday's action by the Chinese followed massive demonstrations in Taiwan and Hong Kong protesting Tokyo's move, claiming the islands belong to China.

In a criticism directed at the Chinese Government, the statement said Beijing is unable to deliver a strong enough rebuke of Tokyo's actions because of the close relationship between the Japanese and Chinese Governments even after last year's crackdown on the pro-democracy movement.

The statement called on all Chinese on the mainland, Taiwan, Hong Kong and elsewhere to unite to "assume responsibility for protecting Chinese sovereignty."

### Minister Optimistic on GATT Textile Pact

*OW0111083290 Tokyo KYODO in English 0814 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—International Trade and Industry Minister Kabun Muto said Thursday negotiators for the ongoing multilateral trade talks over textiles could hammer out a pact before the ministerial meeting of the General Agreement on Tariffs and Trade (GATT) slated for early December in Brussels.

Muto, speaking at a lecture, said a consensus is emerging among the GATT negotiators that the so-called multi-fiber agreement (MFA) should be incorporated into the GATT framework within ten years.

"Possibly, we may see an agreement before the Brussels (meeting)," he said.

The textile talks are under way in Geneva as part of the current Uruguay round of GATT trade-liberalizing talks among 104 countries.

The Uruguay round, which has been trying to slash trade barriers in 15 fields for four years, is scheduled to conclude at the Brussels meeting.

Muto also expressed some optimism over talks concerning the rules for defining tropical farm products and a product's country of origin.

But the trade minister cited trade in service, trade-related investment measures, trade-related intellectual property rights, agriculture, dispute settlement, and safegurds, as the fields where the negotiations are hitting snags.

"It is still a toss-up whether the trade ministers will be able to declare the end to the Uruguay round at the Brussels meeting," he said.

### Michinoku Company Exports Used Cars to USSR

*OW0211093090 Tokyo KYODO in English 0830 GMT 2 Nov 90*

[Text] Aomori, Nov. 2 KYODO—Michinoku Lease Co., based in Aomori Prefecture, northern Japan, has exported used cars to the Soviet Far East through its trading subsidiary, officials said Friday.

The Japanese leasing company, an affiliate of Michinoku Bank, has exported 160 used automobiles for 30 million yen in its first venture into trading with the region.

Its Soviet counterpart is the Far East Foreign Economic Association, made up of 150 private Soviet companies.

Soviet automobile specialists came to Japan to inspect the cars before shipping, they said.

Michinoku lease is planning to continue exporting used cars, taking advantage of the relatively short distance between Aomori Prefecture and the Soviet Far East, officials said.

### Company Plans Purchase Soviet Space Technology

*OW0111080490 Tokyo KYODO in English 0746 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Toyo Engineering Corp. (TEC), a major Japanese plant engineering company, confirmed Thursday it has signed a contract to buy Soviet space technology, the first such case by a Japanese firm.

The planned purchases are systems for controlling temperature and humidity in a spacecraft as well as an air circulation system designed to detect and remove traces of poisonous gases.

In seeking participation in space technology projects, TEC has expanded its organization and studied the area, TEC officials said.

With the technology obtained from the Soviet Union, TEC will further develop such systems as astronaut training facilities and comprehensive environmental control facilities for spacecraft, they added.

According to the officials, the Soviet systems are vital to maintaining human life in space and were proven in a Soviet spacecraft in 1986.

The systems maintain the inside temperature of the spacecraft at 18-28 degrees C and humidity at 30-70 percent. The air circulation system removes poisonous gases from machines and human bodies.

The prices for the systems were not disclosed. Industry sources said the Soviet Union has been looking for opportunities to sell its space technology-related systems for the past year to acquire foreign currency.

### Mitsubishi Accounts With Iraq, Kuwait Unpaid

*OW3110234190 Tokyo KYODO in English 1459 GMT 31 Oct 90*

[Text] Tokyo, Oct. 31 KYODO—Mitsubishi Heavy Industries Ltd. (MHI) has failed to receive payment for its plant-related exports to Iraq and Kuwait totaling 4 billion yen only for the months of August and September, company officials said Wednesday.

Trade-related remittances from Iraq and Kuwait to Japan have been halted following the August 2 Iraqi invasion of its Middle East neighbor, the officials said.

Mitsubishi's cumulative unsettled revenue from trade with the two countries has amounted to about 50 billion yen so far, they said.

The company has received orders from the two countries amounting to about 300 billion yen, including a 150 billion yen order from Kuwait in March last year for a boiler and turbine for a thermal-power station.

### Account Surplus Drops 24.4 Percent From 1989

*OW0211092090 Tokyo KYODO in English 0910 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—Higher oil prices pushed up Japan's imports to slash the nation's current account surplus in September by 24.4 percent from a year earlier, the Finance Ministry said in a preliminary report Friday.

The surplus in the current account, the broadest measure of a nation's trade in goods and services, totaled 4,559

million dollars in the month, compared with 6,029 million dollars in September last year.

The September contraction, the third straight monthly decline, followed a dramatic 72.5 percent year-on-year fall in August, when the surplus stood at 942 million dollars.

Ministry officials said the current account reduction reflects surging imports, pushed up by rising crude prices after Iraq's August 2 invasion of Kuwait.

"The effect of the Gulf crisis is beginning to be felt," a ministry official said.

September's merchandise trade surplus, which measures only trade in goods, came to 7,730 million dollars, a 1.8 percent drop and the third monthly decline in a row.

Imports rose 9.9 percent to 17,372 million dollars in their sixth consecutive month of increase, while exports grew 6.0 percent to 25,102 million dollars, the fourth straight monthly expansion.

Exports and imports in the current account are measured when contracts are settled and are different from the customs-clearance trade figures that are announced separately by the ministry each month.

On a customs-clearance basis, the September surplus dipped 3.9 percent from the year before to 6.90 billion dollars.

The officials said Japan's oil imports jumped 48.7 percent from the year-earlier level to 2,451 million dollars on a customs-clearance basis.

Crude prices averaged 22.33 dollars in September, a sharp rise from 16.33 dollars in August and 16.92 dollars the year before.

They said Japan also purchased more foreign automobiles, especially U.S.-made ones, airplanes, gold, and paintings, while the country's imports of pulp, textiles, and foodstuffs declined.

On the export side, increased shipments of automobiles and ships more than offset falls in exports of steel, electronic parts, and electronic office eqipment.

Cited by the officials as another factor contributing to the fall in the September current account surplus was the deficit in the invisible trade account, which was the fifth worst ever.

The balance of invisible trade, which encompasses transactions related to insurance, shipping, tourism, and other services, was in the red by 2,098 million dollars in September, compared with 2,909 million dollars in August.

The big red-ink figure was mainly due to a massive deficit in tourism, the officials said.

The tourism account deficit totaled 1,935 million dollars in the month, down from August's record 2,092 million dollars deficit but still the fourth largest deficit to date, they said.

The transfer account, another item in the current account, posted a deficit of 1,073 million dollars in September, compared with a 270 million dollar deficit in August.

"The deficit growth is mainly because of Japan's financial contributions to the multinational forces deployed in the Middle East," an official said.

The balance of long-term capital flow turned into the black by 5,719 million dollars, as the Persian Gulf turmoil and the weak U.S. economy discouraged Japanese traders from investing in U.S. securities while foreigners actively bargain-hunted Japanese bonds.

The short-term capital balance was in surplus by 4,282 million dollars, while the errors and omissions account produced a deficit of 3,775 million dollars.

In a turnaround from August's 150 million dollar deficit, Japan's overall balance of payments, which gauges all flows of money in and out of the country, was in the black by 10,785 million dollars.

The ministry also reported that, reflecting rising imports and booming tourism, Japan's current account for the first half of fiscal 1990 plunged 47.3 percent from a year earlier to 15,412 million dollars.

The drop in the half-year surplus underscored the downward trend in Japan's current account surplus, which has been steadily diminishing since it peaked in the first half of fiscal 1986, the officials said.

They said that, given the modest figure, the nation's current account surplus for the whole of fiscal 1990, ending March 31, will be much below the government's estimate of 55.6 billion dollars.

The trade surplus for the April-September period fell 21.9 percent to 30,881 million dollars, as a 10.3 percent increase in imports overwhelmed a paltry 0.8 percent growth in exports.

Invisible trade was in deficit by 13,322 million dollars, of which the tourism account deficit, partly responsible for the surplus shrinkage, was a record 10,987 million dollars, they said.

## Purchases of U.S. Securities To 'Fall Sharply'

*OW0111114690 Tokyo KYODO in English 1103 GMT 1 Nov 90*

[Text] Tokyo, Nov. 1 KYODO—Japanese life insurers and brokerage houses said Thursday their purchases of U.S. Treasury securities at next week's U.S. quarterly auction will fall sharply.

Japanese institutional investors will buy about 20 percent of the total offering, down sharply from the 40 percent share they once had.

The U.S. Government plans to auction a total of 34.25 billion dollars in U.S. Treasury securities next week, which will be the largest auction ever.

The auction of 12.5 billion dollars in three-year Treasury notes will be held on Tuesday, 11 billion dollars in 10-year notes on Wednesday, and 10.75 billion dollars in bonds on Thursday.

They attributed the decline to the narrowing of the long-term interest rate differential between the U.S. and Japan.

Many institutional investors see the yen's uptrend continuing as long as the Middle East situation does not take a turn for the worse.

With Japan's long-term prime rate at 8.3 percent, the 8.75 percent coupon rate on U.S. 30-year bonds holds very little appeal.

"Domestic demand for funds is so strong that investors will not venture to purchase U.S. treasuries unless the coupon rates on them are in the 9 percent range," said an official with a major life insurer.

"There's really no need to take such a risk," he said.

### Mitsubishi, Volvo Said Planning Joint Venture

*OW0211104090 Tokyo KYODO in English 0214 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 KYODO—Mitsubishi Motors Corp. has agreed in principle with AB Volvo on joint auto production in the Netherlands beginning in 1993, industry sources said Friday.

The agreement opens the way for the first production of cars by a Japanese firm on the European continent, the sources said. A formal deal is expected to be signed by the end of the year, they said.

A spokesman for Mitsubishi Motors said: "Mitsubishi Motors Corporation has been continuing discussions with Volvo Car Corporation on the possibility of the joint passenger car production in Europe. But it is too premature to offer any comments at this time."

The industry sources said the two companies are close to agreeing that Mitsubishi will produce 200,000 to 250,000 passenger cars in the 1300 to 1600 cc class such as the Mitsubishi Mirage. Each firm would be entitled to sell half of the cars produced under the venture, the sources said.

In view of the scheduled integration of the European Community market in 1992, Mitsubishi Motors has been exploring the possibility of a joint venture with several European automakers such as Fiat of Italy. Japanese automakers like Toyota Motor Corp., Nissan Motor Co., and Honda Motor Co., have already set up their production bases in Britain.

## North Korea

### Korean Students in Japan Condemn Arrest in South

*SK0111112790 Pyongyang KCNA in English 1025 GMT 1 Nov 90*

[Text] Tokyo October 31 (KNS-KCNA)—The Committee of Korean Students in Japan published a statement on October 30 denouncing the outrage of the No Tae-u fascist clique in arresting the chairman of the National Council of Student Representatives (Chondaehyop).

The statement charged that the arrest of student Song Kap-sok, chairman of Chondaehyop, is an unpardonable fascist outrage and branded it as a criminal act to destroy the fighting organization of patriotic youth and students. It went on: The committee of Korean students in Japan condemns this rude fascist act of the No Tae-u clique in the name of the entire Korean students in Japan as a never-to-be-condoned act against the times.

The statement said that the No Tae-u fascist clique must stop suppression of the democratic forces and unconditionally and immediately release all the youth and students and democratic figures who were arrested unjustly including Chairman Song Kap-sok of Chondaehyop and student Yim Su-kyong, the "flower of reunification".

### SKNDF Struggle Supported Internationally

*SK0211044290 Pyongyang KCNA in English 0417 GMT 2 Nov 90*

[Text] Pyongyang November 2 (KCNA)—Guy Dupre, secretary General of the International Liaison Committee for the Reunification and Peace of Korea, sent a letter to the Central Committee of the South Korean National Democratic Front (Hanminjon) [SKNDF] upon the closing of the world conference for one reunified Korea by means of founding of the democratic confederal republic of Koryo.

The conference expressed warm solidarity with the South Korean people in their daring struggle for independence, democracy and reunification and highly appraised "Hanminjon" for playing a good role in their patriotic struggle, the letter said, adding:

The conference authorized the International Liaison Committee for the Reunification and Peace of Korea to further strengthen international solidarity with the struggle of the South Korean democratic forces and, particularly, actively wage a movement in all countries for support to the legalization of "Hanminjon".

Declaring that it will make all efforts to this end, the International Liaison Committee for the Reunification and Peace of Korea extends our warm support to the patriotic struggle of all the members of your organization.

## South's Investigation of 'Sanomaeng' Assailed

*SK0211050490 Pyongyang KCNA in English 0445 GMT 2 Nov 90*

["Prelude to Wholesale Suppression of Patriotic Forces for Reunification"—KCNA headline]

[Text] Pyongyang November 2 (KCNA)—The South Korean puppet Security Planning Board made public the "results of the investigation into the South Korean Socialist Workers' Union (Sanomaeng)" on October 30.

Commenting on this, a news analyst of NODONG SINMUN today says:

The puppets painted an alarming picture of the scale and nature of "Sanomaeng", terming it as a "nationwide, illegal organization" involving 1,600 people from all walks of life including the working, academic and religious circles, youth movement organizations, the people's party and peasants, and as an "underground organization of revolutionary socialists who pursue the socialist revolutionary line through an armed uprising and declared a class revolution directly against the capitalist class".

They said the members of "Sanomaeng" have conducted "revolutionary activities to form a party of workers" and there are possibilities of relations between "Sanomaeng" and the "communist organization in the North". In this way, they are expanding the scope of suppression.

The South Korean authorities published the "results of the investigation" before fully clarifying the entity of "Sanomaeng". It is a far-fetched allegation without any legal evidence and scientific ground.

Coming from South Korea are voices that the "results of the investigation" full of contradictions lack authenticity because they were rigged up by illegal arrest and torture of some people and coaxing of long-term prisoners.

The South Korean authorities' publication of the "Sanomaeng case" is a prelude to a wholesale suppression of the popular masses who oppose the "regime of the Democratic Liberal Party [DLP]".

The No Tae-u group finds itself at the end of its tether in its ruling crisis with the exposure of the political surveillance by the "Army Security Command" and the "DLP's" plot to remain in power indefinitely through the "constitutional revision for the parliamentary cabinet system" on top of the quarrel within the "party".

The South Korean rulers invented the "Sanomaeng case" in a bid to divert elsewhere the people's attention from them and hunt for a pretext to totally suppress the patriotic forces calling for independence, democracy and reunification.

In rigging up this "case", the South Korean puppets intended to find a ground to maintain such repressive tools as the "Security Planning Board" and the "Army Security Command".

They attempt to maintain the intelligence plot-breeding machines and use them for the "security of their regime" with the argument that it is possible only by the "Security Planning Board" and the "Army Security Command" to detect the forces "attempting to overthrow the system".

In the "results of the investigation", the South Korean rulers let out a groundless cry over the "possibility of relations" with the North. It offers a glimpse of their sinister intention to abuse this "case" in their North-South confrontation row.

The puppets have faked up shocking incidents and intensified the suppression of the people by linking them with the North, each time they met with the growing anti-"government" struggle of the people and a serious ruling crisis. They have not yet discarded this evil practice.

The No Tae-u group must look straight at the trend of the time, stop the brutal sword-brandishing against the people and immediately release all the people who have been arrested on charges of involvement in the "case".

## U.S. 29 Oct Aerial Exercises Condemned

*SK0111115790 Pyongyang KCNA in English 1039 GMT 1 Nov 90*

[Text] Pyongyang November 1 (KCNA)—The U.S. imperialist aggressors began a large-scale combined aerial exercise in the air above South Korea on October 29 with the mobilization of many fighter planes of various types from their Pacific bases, according to military sources.

This provocative exercise aimed at increasing the capacity of logistic support, strike at the targets in the interior, aerial reconnaissance, coordination and guided commanding, is a very dangerous war gamble entirely designed to make forestalling strikes at the major targets of the northern half of Korea.

This reckless exercise which is staged twice a year, in spring and autumn, in the air above South Korea involves the flying corps of the U.S. Navy and Air Force based in the Pacific and fighter-bombers, assault planes, electronic jamming planes, early warning and control planes, reconnaissance planes, transport planes, etc. belonging to the U.S. Air Force in South Korea and the South Korean puppet Air Force, some 2,000 in all.

The frantic aerial war exercise of the U.S. imperialists and the South Korean puppets against the northern half of Korea is a premeditated move to throw a wet blanket over North-South dialogue arranged with so much efforts and deliberately lay an obstacle to it. It is also an open challenge to the ardent desire of the compatriots in the North, South and overseas for reunification.

## NODONG SINMUN Views U.S. 'Infiltration'

*SK0111110890 Pyongyang KCNA in English 1032 GMT 1 Nov 90*

["Imperialists' Ideological and Cultural Infiltration Is Hidden Act of Aggression"—KCNA headline]

[Text] Pyongyang November 1 (KCNA)—The imperialists are now directing particular efforts to the ideological and cultural infiltration into socialist countries and other progressive countries. It is a hidden act of aggression for disorganising them. So says NODONG SINMUN today in a by-lined article.

It says:

Their reactionary ideological and cultural infiltration together with military and economic aggression, is used as a main lever of the "peaceful transition" strategy.

The imperialists' ideological and cultural infiltration gravely threatens other countries. It is related to the corrupt and reactionary nature of the imperialist idea and culture.

The bourgeois idea and culture, the imperialist reactionary idea and culture, is used as a tool of corrupting and degenerating people ideologically and deform them politically. Particularly it demoralizes young people.

The imperialist ideological and cultural intrusion is intended to infiltrate such corrupt and reactionary idea and culture into other countries and benumb the consciousness of national independence and revolutionary spirit of the people, debase and deform them and thus pave the road of aggression.

In their ideologocal and cultural infiltration by all means and methods the U.S. imperialists concentrate efforts, above all, on turning back the socialist countries to capitalism by realising the strategy of "peaceful transition".

With this strategy the U.S. imperialists have the impudence to openly force those countries to discard socialist idea and culture and allow the imperialist ideological and cultural infiltration.

This infiltration is no less dangerous than the undisguised moves of armed invasion.

If national culture is destroyed or obliterated by imperialist reactionary idea and culture and by the corrupt American culture, it means the violation of national independence. Then, the consciousness of national independence and revolutionary spirit of the people will be benumbed and, accordingly, the people will be unable to carry on the revolution and construction successfully and defend their revolutionary gains.

In order to firmly defend independence and sovereignty and successfully carry out the revolution and construction, it is imperative to smash the reactionary ideological and cultural offensive of the imperialists as well as their military moves of aggression, stresses the article.

## Kim Il-song Receives Thanks From Li Tieying

*SK0211103090 Pyongyang Domestic Service in Korean 2200 GMT 30 Oct 90*

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea and DPRK president, has received a thank-you note from Comrade Li Tieying, member of the CPC Central Committee Political Bureau, state councillor, minister of the State Education Commission and leader of the visiting Chinese party and Government delegation, upon his departure from our country.

The thank-you note is as follows:

Pyongyang

Comrade Kim Il-song, general secretary of the Workers Party of Korea and DPRK president

Upon satisfactorily concluding my visit to your country, I, in the name of the Chinese party and government delegation, express deep appreciation to you and, through you, to the Korean party and Government and the fraternal Korean people. For a few days, we received a warm and friendly welcome from the Korean party and Government. The Korean people's fraternal friendly feelings toward the Chinese people left us an unforgettabe impression. The grand-scale and enthusiastic celebrations which the Korean party and Government arranged on the occasion of the 40th anniversary of the Chinese People's Volunteers' participation in the Korean front have led us to more firmly believe that the great friendship, which has been sealed in blood under the care and (?leadership) of the parties and governments of the two countries, will be inherited generation after generation and will shine forever. I sincerely hope that the Korean people will bring about new greater achievements in their cause of socialist construction and their struggle to achieve the independent, peaceful reunification of the fatherland.

[signed] Li Tieying, head of the Chinese party and Government

delegation

[dated] 30 October 1990

## Shanghai Group Visits Mangyongdae, Other Sites

*SK0211054690 Pyongyang Domestic Service in Korean 1300 GMT 31 Oct 90*

[Text] A Shanghai, China goodwill delegation led by Ni Hongfu, deputy secretary of the CPC Shanghai Municipal Committee, visited Mangyongdae today.

The guests who visited the home site of Mangyongdae listened to the explanation on the immortal revolutionary history of the great leader Comrade Kim Il-song and his revolutionary family, and attentively viewed historic relics that are preserved well. In commemoration of their visit to the home site of Mangyongdae, the

guests took pictures and saw revolutionary relics on Mangyong Hill. The delegation saw the Chuche Tower. After seeing the tower and sculptures of people, the guests went up to the observation tower and saw the entire landscape of Pyongyang, which was built on a grand scale and in a magnificent manner. After the observation, the delegation head said that the Korean people built this fantastic city from the ashes of war in a short period of time and that this is beyond imagination. He stressed that this is because of the wise leadership of the great leader Comrade Kim Il-song and the party.

The delegation also visited Pyongyang Sinmi Senior High School. Amid the warm welcome of the teachers, officials, and students, the delegation saw the Mao Zedong class, the physical experiment room, the sewing room, and other places and saw a performance by the artistic team of this school.

The delegation also went to the Zhou Enlai statue at Hungnam Fertilizer Complex and laid a wreath in front of it. The delegation also saw the Arch of Triumph, the Grand People's Study Hall, the Taesangsan Revolutionary Fallen Heroes Mausoleum, the Friendship Tower, the Hamhung veterans resin daily necessities plant, the Hamhung Grand Theater, and various other places in Pyongyang and local areas.

### Yang Hyong-sop Meets PRC Press Figure

*SK0111120590 Pyongyang KCNA in English 1051 GMT 1 Nov 90*

[Text] Pyongyang November 1 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, met and had a friendly conversation with a delegation of the Chinese paper GUANGMING DAILY headed by its Deputy Editor-in-Chief Fang Gongwen at the Mansudae Assembly Hall today.

Noting that he keenly felt while staying in Korea that Chinese and Korean people are brothers, the head of the delegation said that the delegation would widely introduce to and propagandize among the Chinese people the achievements gained by the Korean people in socialist construction and thus contribute to deepening Sino-Korean friendship still further.

### CSFR Embassy Celebrates State Anniversary

*SK2710054290 Pyongyang KCNA in English 0457 GMT 27 Oct 90*

[Text] Pyongyang October 27 (KCNA)—Zbynek Shee, Czechoslovak ambassador to Korea, gave a reception at his embassy Friday evening on the occasion of the 72nd anniversary of the formation of the independent state of Czechoslovakia.

Invited there were vice-chairman of the standing committee of the Supreme People's Assembly Paek In-chun, vice-minister of foreign affairs Cho Kyu-il, vice-minister of external economic affairs Kim Chong-u, vice-minister of foreign trade Song Hui-chol, vice-chairman of the committee for cultural relations with foreign countries O Mun-han, other officials concerned and foreign diplomats here.

Speeches were made there.

### Peruvian City Awards Honor to Kim Il-song

*SK2810083290 Pyongyang KCNA in English 0817 GMT 28 Oct 90*

[Text] Pyongyang October 28 (KCNA)—The great leader President Kim Il-song was awarded the title of honorary citizen of Cuzco, Peru.

A grand meeting for nominating him as an honorary citizen of Cuzco took place in the city on October 21.

The Cuzco mayor declared that President Kim Il-song who had accomplished great exploits for the Korean and world revolution was nominated as an honorary citizen of Cuzco.

Then he handed the honorary citizenship card of Cuzco, Peru, and the mayor's wand, a gift of the city hall, to Kim Chin-pom, head of the delegation of City Federation of Korea and vice-chairman of the committee for Cultural Relations With Foreign Countries.

In his speech he said: We deemed it a great honour to nominate the great leader President Kim Il-song as an honorary citizen of Cuzco City.

The respected President Kim Il-song is an iron-willed brilliant commander who defeated two imperialisms in one generation and an outstanding leader who has built a powerful socialist state on ruins.

We know well the exploits made by the great President Kim Il-song in the struggle for building socialism in Korea and an independent and peaceful reunification of the country and in his efforts for friendship with the world people and peace and never stint admiration for them.

The meeting was followed by a performance of an art troupe of the city.

Then a reception was given.

On the same day the mayor sent a letter to President Kim Il-song upon the awarding of the title of honorary citizen upon him.

### Kim Il-song Awarded Supreme Order of Libya

*SK2610054190 Pyongyang KCNA in English 0527 GMT 26 Oct 90*

[Text] Pyongyang October 26 (KCNA)—The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, was awarded the Great September 1 Revolutionary

Order First Class, the supreme order of Libya, by the Great Socialist People's Libyan Arab Jamahiriyah.

The order was conveyed on October 25 to Vice-Premier and Foreign Minister Kim Yong-nam by Asharif G. Alkalbash [as received], secretary of the People's Committee of the People's Bureau of Libya in Pyongyang.

### Kim Il-song Receives WPK Celebration Letter

*SK2710070190 Pyongyang KCNA in English*
*0403 GMT 27 Oct 90*

[Text] Pyongyang October 27 (KCNA)—The great leader President Kim Il-song received letters from participants of the celebration meetings marking the 45th anniversary of the foundation of the Workers' Party of Korea [WPK] held in various countries.

A letter from the participants of the Kampala City celebration meeting organised by the Uganda-DPRK friendship association pointed out that with the foundation of the Workers' Party of Korea by President Kim Il-song, the Korean people have been able to make brilliant achievements in the revolution and construction and in the struggle for the independent and peaceful reunification of their country.

As they were made through self-reliance, the achievements are very valuable and inspire the peoples of the countries of the Third World who are building a new society, the letter stressed.

A letter from participants of a celebration meeting marking the 45th anniversary of the WPK foundation held in Poto Poto District, Brazzaville, the Congo, highly praised the Korean people who, united politically and ideologically around President Kim Il-song, are winning brilliant victories in the struggle for the building of a peculiar and superior socialism under the banner of the chuche idea.

In a letter, the participants of a celebration meeting held under the sponsorship of the information council of Marxism in Ostfold County, Norway, and the Fredrikstad City committee of the Norwegian Communist Party wished the Workers' Party of Korea success in its work for founding the democratic confederal republic of Koryo and developing socialism in Korea.

### Kim Il-song Receives Gift From U.S. Businessman

*SK2710052890 Pyongyang KCNA in English*
*0436 GMT 27 Oct 90*

[Text] Pyongyang October 27 (KCNA)—The great leader President Kim Il-song received a gift from the delegation of the federation of Korean businessmen in the United States on a visit to the homeland.

It was conveyed to an official concerned by head of the delegation Kim Chon-yong, chairman of the federation, on October 26.

### Kim Chong-il Receives Gift

*SK2710053690 Pyongyang KCNA in English*
*0459 GMT 27 Oct 90*

[Text] Pyongyang October 27 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the delegation of the federation of Korean businessmen in the United States on a visit to the homeland.

It was conveyed to an official concerned by head of the delegation Kim Chon-yong, chairman of the federation, on October 26.

### WPK Delegation Meets Welsh Party in Britain

*SK3110042190 Pyongyang KCNA in English*
*0411 GMT 31 Oct 90*

[Text] Pyongyang October 31 (KCNA)—Talks were held in Cardiff, Britain, on October 26 between delegations of the Workers' Party of Korea [WPK] headed by Kim Yong-sun, secretary of the WPK Central Committee, and the Welsh Nationalist Party of Britain.

Views were exchanged on a series of matters of common concern.

The leader, the president and the general secretary of the Welsh Nationalist Party of Britain expressed admiration at independence maintained by the DPRK even under the complex situation and stressed that the WPK's national reunification proposals for achieving the independent reunification of the country without the interference of outside forces are excellent ones acceptable to anyone.

Pointing out that the proposal for founding the democratic confederal republic of Koryo is the most reasonable one for a peaceful reunification of the country, they expressed support to it.

The talks took place in a friendly atmosphere.

### Kim Yong-sun Meets UK Communist Leader

*SK2710060490 Pyongyang KCNA in English*
*0410 GMT 27 Oct 90*

[Text] Pyongyang October 27 (KNCA)—Talks were held in Paris on October 22 between Kim Yong-sun, secretary of the WPK (Workers' Party of Korea) Central Committee and head of the delegation of the Workers' Party of Korea, which had participated in the world conference for one reunified Korea by means of founding the democratic confederal republic of Koryo, and Eric Trevett, general secretary of the Central Committee of the new Communist Party of Great Britain.

Exchanged at the talks were views on a series of matters of common concern.

The talks proceeded in a friendly atmosphere.

### Kim Yong-sun Meets Belgian Labor Party Leader

*SK2710060090 Pyongyang KCNA in English*
*0408 GMT 27 Oct 90*

[Text] Pyongyang October 27 (KCNA)—Talks were held in Paris on October 22 between Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK] and head of the WPK delegation which had participated in the world conference for one reunified Korea by means of founding the democratic confederal republic of Koryo and Ludo Martens, chairman of the Central Committee of the Belgian Labour Party.

Views were exchanged on a series of matters of common concern.

The talks took place in a friendly atmosphere.

### Pyongyang Papers Note Austrian National Day

*SK2610111190 Pyongyang KCNA in English*
*1059 GMT 26 Oct 90*

[Text] Pyongyang October 26 (KCNA)—Papers here today observe the 35th anniversary of the national day of Austria.

Noting that in the past the Austrian people have made great progress in the struggle to defend their national sovereignty and build a prospering country, MINJU CHOSON says in a signed article:

Pursuing its eternal neutral policy externally, Austria is striving to ensure world peace and security against aggression and war, domination and subjugation.

The Korea-Austria friendly relations are favourably developing as days go by.

The Austrian people highly estimate the progress made by the Korean people in socialist construction through the embodiment of the chuche idea under the wise guidance of the great leader Comrade Kim Il-song and our party, and express support to and sympathy with them in their struggle to achieve the independent and peaceful reunification of the country.

Our people believe that the Korea-Austria friendly relations will be strengthened still further in conformity with the idea of independence, peace and friendship.

NODONG SINMUN says the Korean people wish the Austrian people greater success in their work for the prosperity of the country, congratulating them on the national day.

### Dailies Mark Anniversary of Algerian Struggle

*SK0111112390 Pyongyang KCNA in English*
*1022 GMT 1 Nov 90*

[Text] Pyongyang November 1 (KCNA)—Papers here today mark the 36th anniversary of the start of the armed struggle of the Algerian people. NODONG SINMUN says in a signed article that the Algerian people rose up against the colonial rule with arms in their hands on November 1, 1954 and finally won the bloody struggle against the colonialists and achieved national independence. The victory of the Algerian people showed that the oppressed people could carve out their destiny and achieve national liberation and independence only through the struggle.

The Algerian people significantly celebrate as the national day every year the day of the start of the armed struggle which brought a fundamental change in their position.

The Korean people extend congratulations to the Algerian people on this day.

The Algerian people are now striving to build a new independent and prospering Algeria.

The Algerian Government supports the struggle of the people for national liberation and independence against imperialism and Zionism.

The Korean people wish the Algerian people greater success in their efforts for national prosperity, says MINJU CHOSON.

### Kim Greets Algerian President

*SK3110101590 Pyongyang KCNA in English*
*1009 GMT 31 Oct 90*

[Text] Pyongyang October 31 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Chadli Bendjedid of the Algerian Democratic and People's Republic on the occasion of the 36th anniversary of the start of the Algerian revolution.

Expressing the belief that the friendly and cooperative relations between the two countries will continue to develop, the message wishes the president and the Algerian people greater success in their work for the prosperity of the country.

### Protocol Signed With Senegal in Dakar

*SK3110054190 Pyongyang KCNA in English*
*0518 GMT 31 Oct 90*

[Text] Pyongyang October 31 (KCNA)—A protocol of the second meeting of the Inter-Governmental Joint Committee of the Democratic People's Republic of Korea and the Republic of Senegal was signed in Dakar on October 27.

It was signed by head of the DPRK Government economic delegation Chong Song-nam, minister of external economic affairs, and Sheikh Hamidou Kane, delegate minister of the president in charge of African economic integration of Senegal.

### Cultural Exchange Signed With Ghana

*SK2710050090 Pyongyang KCNA in English 0431 GMT 27 Oct 90*

Pyongyang October 27 (KCNA)—A 1990-1992 plan on cultural exchange was signed in Accra on October 23 between the governments of the Democratic People's Republic of Korea and the republic of Ghana.

It was signed by DPRK ambassador to Ghana Yi Hae-sop and Mohammed Ben Abdallah, secretary for culture [as received] of the Provisional National Defence Council of Ghana.

### Kim Il-song Greets Caribbean Leader

*SK2610111990 Pyongyang KCNA in English 1041 GMT 26 Oct 90*

[Text] Pyongyang October 26 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on October 26 sent a message of greetings to James Fitz Allen Mitchell, prime minister of Saint Vincent and the Grenadines, on the occasion of the 11th anniversary of the independence of the country.

Expressing the belief that the friendly relations between the two countries will develop still further in future, the message wishes the prime minister and people of Saint Vincent and the Grenadines great success in their work for the prosperity of the country.

### Kim Chong-il Sends Messages to Foreigners

*SK0111113590 Pyongyang KCNA in English 1028 GMT 1 Nov 90*

[Text] Pyongyang November 1 (KCNA)—Dear Comrade Kim Chong-il sent messages to foreign party and state leaders in reply to their messages of greetings on the occasion of the 45th anniversary of the founding of the Workers' Party of Korea.

He replied to Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization; Pichai Rattakun, leader of the Democratic Party of Thailand; Dr.Vasos Lissaridhis, chairman of the Central Committee of the Socialist Party of Cyprus; Bonaventure Habimana, general secretary of the National Revolutionary Movement for Development of Rwanda; Libere Bararunyeretse, coordinator of the National Permanent Secretariat of the Burundi Party of National Unity and Progress; and Sam Marcy, chairman of the Workers World Party of the United States of America.

Comrade Kim Chong-il expressed deep thanks for warm congratulations and greetings on the occasion of the 45th anniversary of the founding of the Workers' Party of Korea and expressed the belief that the friendly and cooperative relations between the Workers' Party of Korea and these parties will grow stronger and develop.

### KCNA Reviews 2 Nov Pyongyang Press

*SK0211045290 Pyongyang KCNA in English 0428 GMT 2 Nov 90*

[Press Review]

[Text] Pyongyang November 2 (KCNA)—NODONG SINMUN today carries news that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, sent messages to party leaders of different countries in reply to their messages of greetings on the 45th founding anniversary of the WPK.

The great leader president Kim Il-song received letters from foreign countries on the 45th founding anniversary of the WPK, says the daily.

The daily informs the readers that foreign mass media reported the speech delivered by President Kim Il-song at the banquet celebrating the 45th founding anniversary of the WPK.

South Korean people highly praised dear Comrade Kim Chong-il as the great successor to the revolutionary cause of chuche and the great man of the chuche-based art, according to the daily.

A NODONG SINMUN article tells that the Pochon cooperative farm in Hoeyang County, Kangwon Province, has been turned into a place good to live in thanks to the wise guidance of Comrade Kim Chong-il.

Comrade Kim Chong-il has energetically led the work of developing the traditional medicines of Korea, precious medical legacies of our nation, in conformity with the requirements of the times, says MINJU CHOSON in an article.

NODONG SINMUN comes out with an editorial entitled "Let Us More Thoroughly Embody the Slogan of the Party 'We Serve the People!'" This is the unique slogan representing the popular character and duty of our party as the mother party, which is fully responsible for the destinies of the people, stresses the editorial.

It is reported in the press that thanks of the Central Committee of the WPK was conveyed to officials of the State Commission of Science and Technology, the Ministry of Marine Transport and the General Bureau for Overseas Compatriots Affairs who scientifically, technologically and materially helped the workers of the Sungni general motor works in their efforts for the increased production of "Chaju-64" lorries to be sent to the construction sites of Kwangbok Street, Tongil Street and dwelling houses and that meetings to renew their Determination were held.

Economic news of the press includes reports that vegetable greenhouses of 500 hectares are now under construction in the suburbs of Pyongyang and the June 4 rolling stock complex introduced a new melting method.

NODONG SINMUN carries an article entitled "To Improve and Strengthen Financial Work Is an Important Guarantee for Stepping Up Socialist Construction".

The DPRK national championships which opened in early October closed on November 1, says the daily.

South Korean news of the press includes reports that DPRK films were screened at 15 universities in Seoul, Kwangju, Suwon, Taejon, Sunchon, Mokpo and other places of South Korea, South Korean authorities mobilized police force in repression and professors of 27 normal universities demanded No Tae-u to stop "legislating" the system of appointment of teachers.

According to the press, the Committee of Korean Students in Japan released a statement denouncing the South Korean authorities for having arrested the chairman of the "National Council of Student Representatives."

NODONG SINMUN carries a commentary condemning the suppression of the "'Socialist Workers' Union" (Saromaeng) of South Korea by the "Security Planning Board."

Papers inform the readers that the U.S. imperialists and the South Korean authorities began a large-scale combined aerial exercise and the South Korean puppets committed a grave military provocation by illegally infiltrating a combat ship deep into our side's territorial waters in the West Sea.

Appearing in NODONG SINMUN was a report on a sit-in waged in front of the U.N. building by young people and solidarity activists of the United States demanding the withdrawal of the U.S. Forces from South Korea.

In the second instalment of an article "Ghost of the 'Security Command' Moves Alive" the paper says that the crime committed by the South Korean authorities should be brought to light and the "Security Planning Board", "Security Command", intelligence organs and military fascist repressive tools be dissolved.

The 45th anniversary of the founding of the Workers' Party of Korea, the 10th anniversary of the publication of the proposal for founding the democratic confederal republic of Koryo and the month of supporting this proposal were observed in different countries and a Pakistan paper carried a special write-up on the 45th founding anniversary of the WPK, says the press.

NODONG SINMUN informs the readers that the news agency of Madagascar reported an article under the title "Uniqueness of the Chuche Idea."

The 16th session of the Standing Committee of the 7th National People's Congress of China closed, the Chinese PEOPLE'S DAILY published an article on the "Song of the Volunteers" and the economy of China grew in the first three quarters of this year, according to the daily.

The daily says that the Soviet president addressed the 19th convention of the Soviet trade unions, the general meeting of the committee for measure on the Korean affairs of the Japan Socialist Party was held and Shin Kanemaru opposed overseas dispatch of the "Self-Defence Forces" of Japan.

The daily informs the readers that memorial services were held in Cuba on the 31st anniversary of the death of revolutionary Camilo Cienfuegos, the vice-president of the Council of State of the Republic of Cuba condemned the anti- Cuban moves of the U.S. imperialists, the Palestine Liberation Organisation in a statement called for guaranteeing the security of its people and cooperation between African countries is strengthening.

The daily carries an article on the intensified plunder of people by the U.S. reactionary ruling quarters and MINJU CHOSON an article on the U.S. imperialists' armed intervention in the Mid-East and their assistance to the Israeli aggressors.

### Importance of Consumer Goods Production Analyzed

*SK0211040990 Pyongyang KULLOJA in Korean Aug 90 No. 8 pp 67-72*

[Article by Han Chang-kun: "Improving Commercial Service Is an Important Task To Guarantee the People Conveniences in Their Lives"]

[Text] In his historic policy speech at the First Session of the Ninth Supreme People's Assembly, the great leader Comrade Kim Il-song elucidated the matter of further strengthening the economic might of the country and decisively improving the people's material and cultural living standard by effecting new great revolutionary upsurges in all fields of socialist construction to comprehensively give play to the superiority of our country's socialism.

What is important in improving the people's material and cultural living standard by accelerating socialist construction is, above all, to drastically increase the production of people's consumer goods and agricultural products by effecting great upsurges in the light industrial and agricultural domains. By increasing the production of light industrial and agricultural products, the people's material and cultural living standard can be improved in conformity with the demands of socialism, and the superiority of the socialist system can be further displayed.

To improve the people's material and cultural living standard, it is important to effect a decisive turn in producing consumer goods and make great progress in agricultural production and, along with this, to constantly improve commercial service to meet the people's demands for socialist material and cultural lives.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the Central Committee of the Workers' Party of Korea [WPK], has noted: "The work

of supplying goods should be steadily improved in conformity with the demands of the developing realities to smoothly meet the people's ever increasing demand for goods."

Almost all produced goods are supplied to the people through state-run and cooperative organizations' commercial networks in a socialist society where the popular working masses own state power and production means, and where everything in the society serves the popular masses.

Commercial service in commercial organs is a service activity for the people to guarantee them conveniences in their daily lives through the supply of goods. It is the work of equally distributing many kinds of goods to the people and smoothly supplying them with substantial goods by taking responsibility for their daily lives.

The improvement of commercial service work means fully guaranteeing the people conveniences in their daily lives by further developing a commercial service organization, method, and activity in compliance with the intrinsic demands of a socialist commerce which serves the people.

Improving commercial service work is an important revolutionary task to guarantee the people better conveniences in their daily lives and helping them live more affluently by correctly conducting goods supply work in conformity with the demands of the developing realities and the aspirations and demands of the popular masses.

The reason why improving commercial service work is an important task to provide the people with conveniences in their daily lives is, above all, connected with the fact that the work makes it possible to smoothly meet the demands of workers for consumer goods in a timely manner.

Many kinds of consumer goods are required for the people to eat, wear, and use in their daily lives. As the people become more affluent, their demand for consumer goods further increases in terms of both quality and quantity. The people's demand for goods vary by region, season, and stratum. Even in the same goods, the demand of those in the cold region is different from that of those in the warm region; and the demand of peasants is also different from that of factory workers. The people's demand for goods varies according to the season. To smoothly meet the people's demand for goods, the composition of residents in every region, their purchasing abilities, the location and importance of each region, and the physical nature and taste of each individual should be concretely studied and then, goods should be supplied correctly in accordance with the results of the study.

Commercial service work is, in nature, supply work for residents and an important means to meet their material and cultural demands. As commercial service work is improved, the resources of goods should be secured on the basis of the regular study of the demands of residents, and goods should be smoothly supplied in compliance with the characteristics and demands of each region, season, and stratum. As commercial service organizations, methods, and activities are further improved in a more convenient manner for the people, better conveniences in living can be conveniences to the people. As a result of supplying workers with goods in compliance with their living demands, all people will enjoy a stable life without any concern and anxiety.

Another reason why improving commercial service work is an important task to guarantee the people conveniences in their daily lives lies in the fact that commercial service actively affects the production of goods and helps to produce more necessities needed for the people.

Producing more necessities urgently required for the people's daily lives is the primary question of promoting their conveniences in living and providing them with a more affluent and civilized life. Only when the amount of goods demanded by the people increases can the resources of goods be sufficiently secured so that the growing demand of the people can be smoothly met. Whether the amount of goods urgently needed for the daily lives of workers increases largely depends on the role of the commercial service work, an important means which directly links the consumption of the popular masses with their production. As commercial service is actively improved, more variety and better quality can be produced.

Commercial service improvement makes it possible to produce goods required by the people in a planned manner by correctly informing producers of the demand for the goods and to produce more goods urgently needed by the people in their daily lives. In addition, as commercial service organs fulfill contracts with producing organs better, the production site is subject to a regular control and stimulus to guarantee the smooth production of consumer goods, which conform to the taste of the people, in terms of quality and quantity, in a timely manner. When commercial service work is improved, goods required by workers are equally distributed to them, and the amount of their consumption increases, thus encouraging producers to produce more. As commercial service work is further improved, producers make greater efforts to turn a larger amount of useful and pretty people's consumer goods which conform to the taste of the people. With the production of consumer goods increasing, the supply for goods can meet their demand, and workers can enjoy their material and cultural lives to their hearts' content.

The reason why improving commercial service is an important task to guarantee the people conveniences in their daily lives is also connected with the fact that at present our people's demands are growing higher rapidly.

In our country today, the level of the people's material and cultural lives has been steadily elevated as progress has been made in socialist construction. As productivity has further increased and the workers' income and

purchasing ability have grown higher, our people's demands in their living have even further increased and they have sought a more affluent and civilized life.

We must improve the service system and its operation in order to provide the people with more convenient and civilized materialistic and cultural lives in step with their ever-growing demands in their daily lives. Then, a variety of demands of the people, including fashions and the people's hobbies and taste, will be satisfactorily met. If commercial service work is improved and if, as a result, the workers are provided with various sorts of clothes and shoes that they like and with useful, strong, and beautiful furniture, kitchenware, and daily cultural necessities that are produced based on modern scientific and technological achievements, their standard of living will be further improved, and they, taking pride in the fact that they are living under the most outstanding socialist system, will more vigorously participate in socialist construction.

Truly, improving commercial service work is an important guarantee for improving the people's lives according to the demand of the developing times and for highly displaying the superiority of man-centered socialism.

The dear Comrade Kim Chong-il, who is brilliantly implementing the great leader Comrade Kim Il-song's lofty intention of providing our people with more abundant and civilized lives, has profoundly assessed the importance of commercial service work in economically developing the country and improving the people's lives, has presented a creative policy on carrying out a service revolution, and has wisely led the struggle to implement this policy.

The dear Comrade Kim Chong-il, in particular, released the historic document "On Further Improving the People's Lives" and many other classical documents. In this way, he clearly elucidated directives and methods for carrying out commercial service work and took positive measures to improve this work. Though busy leading the overall work of the revolution and construction, he has wisely led commercial work. As a result, the materialistic and technological foundation of the commercial sector has been consolidated; the commercial service system has been established in an orderly fashion, and, thus, all the conditions and possibilities have been provided for positively guaranteeing the people's conveniences in their lives.

The problem of guaranteeing the people's conveniences in their lives and improving their materialistic and cultural lives greatly depends on how all the functionaries and workers in the commercial sector struggles to improve commercial service work.

Deeply realizing our heavy duty and responsibility for the party and revolution, we must thoroughly implement the party's policy on carrying out a revolution in the service sector, thus positively contributing to guaranteeing the people's conveniences in their lives.

Comrade Kim Chong-il, member of the Presidium of the WPK Central Committee Political Bureau and secretary of the Party Central Committee, has pointed out:

"We must endlessly improve the service system and service methods based upon the principle of providing the people with conveniences in their lives to the utmost."

An important task in improving commerce service work is, first of all, positively improving the service system and service methods.

Commercial service work is work that handles huge amounts of consumer goods and that manages and operates service networks that are established across the country, thus providing the people with goods. Only when we well manage the service system and apply service methods can we equally provide the workers with goods and with better conveniences in their lives through commercial service networks.

Correctly establishing goods supply networks based upon a custom order system, responsibly calculating the demands of goods, and responsibly carrying out the work of acquiring goods and the work of allocating and supplying goods, is important in improving the service system and service methods.

The custom order system is a most people-oriented commodity supply system which makes it possible to evenly and uniformly supply consumer goods to all working people in a planned manner. The thorough implementation of the custom order system is precisely the policy that our party has consistently adhered to in commodity supply work. Only when the custom order system is thoroughly implemented in commodity supply work can the people's lives be evenly promoted in conformity with the inherent demands of the socialist society, as well as commerce actively contribute to guaranteeing the people's independent and creative lives.

Only when the custom order system is correctly implemented can bureaucratism, subjectivism, and particularism be eliminated in commodity supply work, the mass line be implemented, and commerce be rapidly developed to meet the people's demands. To correctly implement the custom order system, it is imperative for functionaries in the commercial sector to firmly grasp and be familiar with all commodities produced in our country and to mingle with the people and grasp their demands in a timely manner. Only by correctly grasping the situation of commodities produced in the country can detailed commodity distribution plans be established and commodity supply work be smoothly carried out.

To correctly implement the custom order system, it is imperative to correctly supply commodities in conformity with the people's demands for commodity. What is particularly important is that in supplying commodities, priority should be given to rural villages, coal mines, mines, and various other fields where people are engaged

in difficult and arduous work. Along with this, commodity supply work should be properly carried out so that railway vendor services can be properly improved.

Establishing commercial service networks in a reasonable way and firmly building their material and technological foundations is one of the important tasks which arise in improving the commercial service system. Only when commercial service networks are reasonably established and their material and technological foundations are firmly built and consolidated can the acquisition, management, and supply of commodities be smoothly carried out and commercial service work more properly contribute to improving the people's lives. Commercial service networks, including stores and restaurants, should be established and placed in proper places and locations convenient for the people's lives. Stabile and mobile stores should be properly organized so that they can properly provide convenience in the people's lives. Commercial service networks should be properly and assiduously established in conformity with the modern sense of taste and beauty. Vending machines, automatic paying machines, commodity storage cases, commodity display cases, measuring instruments, and other modern commercial facilities should be furnished, and the introduction of cold storage system should be adopted at foodstuff stores.

Service methods should be improved to provide convenience in the people's lives. Various service forms and methods, including morning services, evening services, mobile services, custom order-delivery services, roving sales services, and single-item sales, should be widely introduced. Service hours, as well, should not cause people inconvenience in production and should be set for the proper time convenient to the people.

Commodity sales through a self-service system should be widely introduced. Introducing the method of commodity sales through self-service system is of important significance in thoroughly implementing the mass line in commodity sales and in developing commerce in conformity with the world's trend.

Another important task which arises in improving commercial service work is to acquire sufficient commodities of good quality so as to meet the people's demands. To meet the people's increasing material and cultural demands in the socialist society, it is imperative not only to produce more commodities by operating all light industry plants at full capacity, but also for the commercial service sector, as well, to wage an active struggle to expand commodity sources.

In order to acquire sufficient commodities, functionaries in the commercial service sector should not wait for production organs to produce commodities, but should actively carry out the work with the attitude of being functionaries of the service sector who directly take care of the people's lives so that greater quantities of various commodities with good quality can be produced in a timely manner. The commercial service sector should accurately and correctly make commodity orders in conformity with the people's demands, should correctly make commodity supply contracts with production organs, and should actively encourage production plants to produce and supply contracted commodities in a timely manner.

In order to acquire and supply greater quantities of commodities, the commercial service sector should not only actively acquire commodities produced in accordance with the state plan, but should also produce commodities with its own strength by displaying the revolutionary spirit of self-reliance and fortitude.

The commercial service organizations should increase the utility production teams and household work teams, and by actively setting them to work, they should produce various kinds of people's consumer goods on their own for the people. In particular, they should increase the kinds and quantities of the production of the "3 August people's consumer goods" thereby actively increasing the sources of the goods that can supplement the supply in the people's demands for the miscellaneous daily necessities. The production of the "3 August people's consumer goods" is a very effective and mighty means of consumer goods production for the masses that enables us to increase various people's consumer goods, such as miscellaneous daily necessities and sundry daily supplies, by mobilizing and utilizing all sorts of hidden reserves and potentials and extensively putting into operation the masses' wisdom and creativity without any considerable investment by the state. From our past experience of vigorously conducting the "3 August people's consumer goods" production movement, we know that if we actively conduct this movement by increasing the household work teams, part-time job teams, and the household service personnel, we can attain great progress in the production of consumer goods.

The commercial service sector should conduct a movement of the entire masses and make active efforts to increase the "3 August people's consumer goods" so that the people's consumer goods of various kinds can meet the tastes and demands of the people and enable them to be produced in abundance.

The commercial networks should also actively push ahead with the work to produce and supply various kinds of foodstuffs on their own. To supply the working people with various kinds of foodstuffs in large quantities, the food processing plants should increase food production and, at the same time, the commercial sector should process and supply food on its own. The commercial service sector should operate the food processing team well so that the working people may get the supply of clean and tasty supplementary foodstuffs of various kinds in large quantities.

The commercial service sector should thoroughly implement our party's policy on producing and using the necessary raw materials on its own. Important here is to vigorously push ahead with the work of creating the

self-made raw material base. If it vigorously conducts the work of creating the raw material base and create the strong raw material base on its own, it can produce and supply various consumer goods in large quantities without getting the supply of raw materials from the state. The commercial sector should learn from the excellent experiences shown by the Chonchon County commercial management office and Pongsan County commercial management office, and by increasing the space of the raw material base of its own and effectively utilizing its existing raw material base, it should increase the production of the raw materials of foodstuffs.

The important task arising in improving the commercial service work is to further enhance the serviceability of the commercial service functionaries.

Serviceability is an important trait of which the commercial service functionaries should have since their fundamental mission is to further provide convenience in the people's lives.

The commercial service functionaries should have high self-awareness and pride in being the people's faithful servants who are responsible for and who look after the people's lives, work devoting everything they have to better safeguard the expedience in the people's lives, and treat the customers always with kindness and good manners. They should take care that the goods do not run out of stock so that the people can buy the goods they require as they please and at any time and that they get the supply of goods in a timely manner.

To modernize the commercial facilities and scienticize and rationalize the commercial management activities is an important task to serve the people for their better cultural life and convenience and to enhance the cultural nature in commerce. The commercial service sector should organize all work on a high scientific basis of helping the people to enjoy increased convenience in their lives from the purchase to the supply of the goods, modernize the commercial service facilities, and maintain their cultural lives at a high standard.

When we actively improve the service organizations and service methods, further enhance their serviceability, and secure more goods resources, all the working people can fully enjoy the benefits of the most superior socialist service system and more affluent and civilized material and cultural lives.

The important way to improve the commercial service work decisively in conformity with the demand of reality which is developing daily is, in the first place, for the commercial service functionaries and working people to have a correct view of the service work and exert high sense of responsibility in the work.

Functionaries and workers in the commercial sector are directly charged with commercial service work. They are the people's servants serving the people. Only when they have a firm mental trait that they are the people's servants and errand boys, can they work by dedicating everything to promoting the people's welfare and thoroughly implement the party's policy for service revolution. Therefore, commercial service functionaries and workers should carry out all works in a frugal and economic way worthy of housewives who are responsible for and take care of the people's lives by cherishing the lofty sense of honor and responsibility for serving the people. Functionaries and workers in the commercial service domain should always think of how they can best offer conveniences to the people in their lives and should make every effort to give benefits to them. In particular, they should see to it that commodities are equally and fairly supplied to all workers by effectively and widely utilizing the "Our household's notebook" the superiority of which has been proven in practice of commercial service. At the same time, we should see to it that the benevolence of the party and the leader to our people reaches them timely and correctly by further enhancing the responsibility and role of the functionaries in the commercial service domain and that conveniences for our people's lives are ensured to the maximum.

To actively ensure the conveniences in the people's lives by improving the commercial service work, we should further enhance the functions and role of commercial organizations.

Commerce in the socialist society means the work of supply for the people, and the basic mission of the commercial organizations is to take good care of the people's lives.

Consumer goods, which are very needed in the people's lives, are supplied to the people through commercial organizations. Whether the people can live well or not largely depends on the functions and role of commercial organizations.

It is important for the wholesale commercial organizations in enhancing the functions and role of commercial organizations to carry out their works in a responsible manner. Only when the role of wholesale commercial organizations is enhanced, can the plants and enterprises produce various good-quality commodities, which are required by the people, on a large scale and in a timely manner, and smoothly supply them to the people.

The role of retail commercial organizations, together with wholesale commercial organizations, should be further enhanced. The retail commercial organizations are the basic unit which directly supplies commodities to the people. The retail commercial organizations should deeply mingle with the residents, conduct research on their demands, and correctly prepare the order for commodities and commodities allotment plan. The retail commercial organizations should allot and supply the commodities according to the orders and should thoroughly abide by the principle of equally and fairly supplying the important commodities whose supply quantities are insufficient.

Commercial organizations should constantly improve commercial management activities and vigorously wage the struggle to introduce successes of modern science and technology.

The important guarantee for offering conveniences in the people's lives by improving commercial service work is to strengthen the guidance and control of the works in this sector.

Only when the guidance and control for commercial service works by the party, power organizations, and administrative and economic organizations are strengthened, can the party's demands which were put forward in its policy, and the party's intent be more properly accomplished.

Party organizations should firmly organize the ranks of commercial functionaries and constantly control and lead them so that our party's chuche-oriented commercial policy is thoroughly implemented by the commercial service domain.

National supervision and control over commercial service work should be strengthened.

In order to make the party's benevolence, directed to promoting the people's living standards, correctly reach and to equally enhance the people's living standards when the standards and the degree of preparations of the functionaries in the commercial service sector and workers are different from each other and when the remnants of the outdated ideologies still remain in the people's brains, the control work for this should be properly carried out. The state organizations and administrative and economic organizations should strengthen inspection and control based on the socialist laws and rules, and should make commercial service work a service work corresponding to socialism and serving the people both nominally and virtually.

The work to improve commercial service work is a glorious and rewarding work designed to provide the people with richer and a more civilized life and to highly demonstrate the superiority of our country's socialist system.

Functionaries of the commercial service domain and all workers should vigorously wage the struggle to implement the party's policy for improving the service work. Thus, they should actively contribute to making the people's lives more abundant and more civilized in compliance with the demand of the developing realities.

## Intellectual's Role in Society Viewed

*SK0211031990 Pyongyang KULLOJA in Korean No. 8, Aug 90 pp 17-23*

[Article by Yang Hyong-sop: "Our Intellectuals' Great Pride And Self-Respect in Vigorously Pushing Ahead With the Chuche Revolutionary Cause"]

[Text] Under the wise leadership of the great leader Comrade Kim Il-song and the energetic guidance of our party, the chuche revolutionary cause—the sacred revolutionary cause aimed at realizing the chajusong of the popular masses—is vigorously being accelerated with the blazing march movement of the nineties in our country today.

Among the glorious ranks that are vigorously pushing ahead with the magnificent march movement to attain the chuche revolutionary cause ahead of schedule are we, the intellectuals, as well as the workers and farmers, who are vigorously marching the single road of the rewarding revolutionary road under the leadership of the party and the leader cherishing deep in our hearts the heightened awareness and great pride and self-respect in being the masters of the revolution.

We, the intellectuals, feel great pride and self-respect in vigorously pushing ahead with the chuche revolutionary cause, the historical cause to realize the chajusong of the popular masses, as an important power of the revolution.

The high pride and self-respect of man, who is the social man whose foremost life is chajusong, consists in the struggle for chajusong. Just as we cannot speak of the dignity and value of the social man apart from chajusong, so we cannot speak of the pride and self-respect of the social man apart from the struggle for chajusong.

The chuche revolutionary cause, which has been pioneered by the great leader Comrade Kim Il-song and brilliantly inherited and completed by the dear Comrade Kim Chong-il, is a sacred cause to liberate the popular masses from all the bondage of society and to completely realize their chajusong, and it is a historical cause to pioneer the hitherto untrodden road to socialism and communism and realize the supreme ideals of mankind.

By devoting ourselves to the ultimate victory of the glorious chuche revolutionary cause, we, the intellectuals find great pride and self-respect. For us, the intellectuals, our pride and self-respect are the greatest pride and self-respect of the social man based on the glory and happiness in carrying on the revolution under the wise leadership of the great leader and the great party, and they are the truest pride and self-respect of the social man based on the endless pride in devoting all the wisdom and power to it for the happiness of the fatherland, the people, the society, and the group rather than for personal comfort.

Our high pride and self-respect, the intellectuals, who are shouldering an important part in carrying out the chuche revolutionary cause as the persons in charge and as masters, come from the great leadership of the great leader Comrade Kim Il-song and the wise leadership of our party and their great trust and love for us.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Workers' Party of Korea Central Committee, has noted:

For the popular masses to become an independent main force of the revolution, they should unite themselves in one idea and one organization under the leadership of the party and the leader. (Footnote 1) (Kim Chong-il: "On Some Problems in the Education of the Chuche Idea," p 18)

The popular masses are the main force of history. The revolutionary struggle is prompted by the popular masses' demand to realize their independent demands, and it is pushed ahead by their creative power. However, this does not mean that the popular masses always become the independent main force of history that pioneers their destiny independently and creatively. Even the working class which takes vital interest in the revolution because of its socio-economic position cannot play their true revolutionary role as a master by itself, still less the intellectuals who are in a socio-economic position different from the working class. The intellectuals can become the masters of the revolution serving the historical cause of the working class when they become the main force of the revolution which is the unitary body of the leader, the party, and the masses under the leadership of the party and the leader.

Today we the intellectuals cherish the great pride and self-respect in vigorously pushing ahead with the chuche revolutionary cause thanks to the benevolent care of the great leader and the party that have led us, the intellectuals, as well as the workers and farmers who are the main-force army of the revolution, on the rewarding road of the revolution.

The great leader Comrade Kim Il-song, who brought up numerous intellectuals to be ardent communist revolutionaries at the time of the anti-Japanese revolutionary struggle leading them on the road of the revolution, massively brought up new intellectuals from among the working popular masses after the liberation in August 1945 based on his immortal chuche idea and the noble experience he accumulated during the anti-Japanese revolutionary struggle, and put forward an original policy for the intellectuals on actively educating and remaking the old intellectuals.

Our party's original policy for the intellectuals which the great leader put forward not only turns out the large force of intellectuals demanded by the socialist and communist construction suitable for the reality of our country and by their own strength, but it embodies the thorough chuche-oriented position to firmly unite the intellectuals for the revolution irrespective of their social and class status and to bring them up to be true communist revolutionaries.

The great leader Comrade Kim Il-song put forward, above all, the original policy on winning over and actively indoctrinating the old intellectuals of our country, making them struggle, devoting all their wisdom and energy to it, for the construction of a new society with pride and self-respect in serving the working class.

Correctly solving the problem of the old intellectuals who had served the old society shares an important position in the work with the intellectuals.

The intellectuals, who are born into a society divided into classes and divided between mental labor and physical labor, consist of those from different classes. In the modern bourgeois society there are the working class, the propertied class, and the petty propertied class, therefore, the intellectuals of the bourgeois society consist of those from these different classes.

The intellectuals consisting of those from such different classes cannot become an independent class by themselves but rather become one social stratum. The intellectuals' stratum consisting of those who have different social and class positions cannot have an ideological consciousness of its own reflecting the common demands and interests of its members. Hence, the intellectuals accept the ideological consciousness reflecting the demands and interests of the classes of various types thereby serving the interest of various classes. The old intellectuals, most of whom are from the propertied and petty propertied classes, have two aspects to their character, that is, in view of their class position, they can accept the idea of the exploiting class and serve the interests of the exploiting class. In view of the fact that they are learned and have grasped the truth, they can accept the advanced ideas and serve the interests of the working class. This is the reason for the double nature and the shaky nature of the intellectuals as a miscellaneous class of the society.

The problem of the old intellectuals is a serious problem of whether to rally them, who have this double and shaky nature, to serve the revolution or to allow them to serve the interests of the exploiting class. If we reject them, taking into consideration only the socio-economic position of the old intellectuals from the standpoint of attaching importance to the material aspect, a major difficulty could arise in the revolution and construction of the initial period of building a new society when the new intellectuals are not brought up from the working popular masses, and this could result in grave consequences where even those who are willing to serve the interests of the working class are rejected from the revolution.

Based on its scientific analysis of the characteristics of the old intellectuals, the intellectuals of the colonial period, immediately after the liberation in August 1945, our party brilliantly put forward and implemented the original policy of broadly winning over and actively indoctrinating and remaking them.

The old intellectuals of our country were mostly from the propertied class. There were only a handful of those who were from the working class. Nevertheless, the intellectuals of our country had been subjected to national oppression and discrimination as the intellectuals of a colony. For this reason they had come to have an anti-imperialist revolutionary idea.

Since our nation was reduced to a colony of imperialists because it fell behind, the intellectuals with knowledge and technology had the ambition to make our fatherland a modern industrial state and rich and powerful independent country by rapidly developing the nation's productivity and national culture. In other words, the intellectuals in our country, which was a colonial semifeudalistic society in the past, had anti-imperialist revolutionary ideas and patriotic ideology to oppose the imperialist aggressors and to rapidly develop their backward country.

Proceeding from the men-centered chuche-oriented outlook, the great leader attached greater importance to the revolutionary spirit of the intellectuals in our country than to their social and class positions and brought them forward as an important driving force of the revolution in pushing ahead with the chuche revolutionary cause. When the great leader was founding the party, he defined the working intellectuals as a constituent of the party together with the workers and peasants.

Our party's insignia, in which a hammer and a sickle are inscribed together with a pen, clearly shows the uniqueness and greatness of our party's policy for the intellectuals put forward by the respected leader, and reflects the great love of the leader, who assumed the responsibility for the destiny of the intellectuals who will serve the working class, by firmly trusting their revolutionary spirit.

The great leader, who advanced a unique policy of the intellectuals for actively educating and reforming the old intellectuals, wisely led the struggle to implement the policy. Personally finding out one by one the intellectuals scattered throughout the country, he brought them into the glorious revolutionary ranks.

Thanks to the great leader's unique policy for intellectuals and the leader's wise leadership to implement it, the old intellectuals in our country became a social and political organism—an integration of the leader, the party and the masses—and came to have a precious political life. Thus, they emerged in the stage of history as a powerful force for the revolution and construction which has the great pride in vigorously pushing ahead with chuche revolutionary cause. This was a historic proclamation declaring an end to the disgraceful history of the intellectuals who served the exploiting class for a long time in the outdated society as the middle class of society and informing the new revolutionary intellectuals who will serve the working class and the people.

Fostering the new intellectuals from working masses of the people on a large scale, together with indoctrinating and reforming the old intellectuals, constitutes an important content of the unique policy for the intellectuals put forward by the great leader.

In the outdated society dominated by the exploiting class, the party of the working class cannot organize the ranks of its intellectuals. Only with indoctrination and reform of the old intellectuals, the demand for the nation's technological core members raised in building a new society cannot be satisfied. One of the greatest difficulties which the backward colonial and semicolonial nations suffered in building a new society in the past was the shortage of their own national technological core members. Therefore, the party of the working class which grasped power should foster on a large scale the new intellectuals from the working masses, together with indoctrinating and reforming the old intellectuals. Only by doing so, can it vigorously push ahead with the revolution and construction by its own strength and successfully build socialism and communism.

Fostering new intellectuals from the working people on a large scale is a guarantee for rearing the intellectuals as genuine masters of the revolution and construction by reforming the class foundation of the ranks of intellectuals.

In order to foster new intellectuals from the working people on a large scale, the great leader established a popular educational system which enabled all the sons and daughters of the working people to freely study, and gave priority to the educational work over all other works. He firmly maintained the policy for fostering on a large scale the chuche-oriented national technological core members who will actively contribute to the revolution and construction in our nation with our people's own strength.

The great leader Comrade Kim Il-song built Kim Il-song University, the first university for our people, with the proceeds from rice that farmers donated, displaying patriotism and loyalty, even under the difficult situation right after national liberation when the country was impoverished. Following this, the great leader not only founded various institutions of higher education, but also, during the war, relieved those soldiers who were college students before joining the army, from their frontline duties and allowed them to continue studying in the rear area. During the postwar rehabilitation period when we had to rebuild the country from ashes, the great leader led our people to build education institutions first. As socialist construction rapidly progressed, the great leader also led our people to rapidly expand the higher education system under which people study while working and to firmly build comprehensive cadre training bases in every province.

As a result of the founding and building of many colleges and the vigorous acceleration of national cadre training work under the wise leadership of the great leader and our party, the number of our intellectuals, which only approximated 10 right after national liberation, has been increased to 1,460,000 today, and, consequently, it has been possible to outstandingly manage and operate state, economic, cultural organs and modern plants and enterprises and to rapidly develop science and technology.

The great leader Comrade Kim Il-song, by setting forth a unique policy for the revolutionization and the working classification of intellectuals, has made it possible for our intellectuals to vigorously carry out the revolutionary

cause, cherishing in their hearts pride and honor as the intellectuals of the working class who have been revolutionized.

Revolutionization and working classification of intellectuals means to completely eliminate the dregs of old ideologies left over in intellectuals' consciousness and to foster them to become genuine intellectuals of the working class, enthusiastic communists, by arming them with the revolutionary ideology of the working class, the communist ideology.

The revolutionization and working classification of intellectuals is not only a part of the work of making the entire society revolutionary and assimilating it into the working class, but is also an inevitable demand to occupy the ideological fortress of communism.

The policy of making intellectuals revolutionary and assimilating them into the working class embodies our party's invariable stand and intent to foster our intellectuals—who have firmly entered the road of socialism, following and upholding the party's leadership, and, thus, whose double nature has been completely done away with—to become true communist revolutionaries, who vigorously carry out the revolutionary cause of chuche without the slightest degree of trepidation under any and all difficult circumstances.

Not only the old intellectuals who received an education in the exploiting society in the past and who were, therefore, subjected to relatively much influence of bourgeois ideologies, but new intellectuals, too, who have grown up under the socialist system, lack a revolutionary temperament and are apt to be influenced by all sorts of unsound ideologies, including individualism, flunkeyism, and dogmatism, unless they attend to their ideological cultivation. This is because of their professional nature of engaging mainly in mental and spiritual activities, apart from production activity.

Today, the imperialists are viciously perpetrating their reactionary ideological offensive in a bid to destroy socialist countries from within, and are turning their spearhead to those intellectuals who hold the dregs of old ideologies. Under such circumstances, if intellectuals neglect to carry out the struggle for eliminating the dregs of old ideologies, for preventing the infiltration of reactionary ideologies, and for arming themselves with the revolutionary ideology of the working class, this will not only lead intellectuals to have trepidation at any momentary difficulties that may be created in the course of socialist and communist construction, but will also create a situation in which they may be exploited by the imperialists as tools.

The experiences from the history of the international communist movement show that if we fail to wage a struggle to educate and inculcate intellectuals so as to make them true intellectuals of the working class and genuine communist human beings, even those who have entered the road of socialism may disarm themselves ideologically in front of the imperialists' ideological offensive, betray and renounce socialism, and, finally, fall onto the disgraceful counterrevolutionary road.

Only when the struggle for the revolutionization and working class-orientation of the intellectuals is vigorously staged can they be prepared to be not the temporary companions of the revolution but the genuine communists who share their fate with the party forever and who can reliably take charge of socialist and communist construction.

Over the entire period from when he conducted the all-out ideological nation-building campaign up to the present, the great leader has dynamically carried out the ideological indoctrination work of arming intellectuals with the revolutionary idea of the working class and has wisely led them to steadily discipline themselves through a revolutionary organizational life and a practical struggle for building a new society and to enhance creative cooperation with workers and peasants.

In particular, the great leader has seen to it that great efforts can be concentrated on educating and remodeling old intellectuals in a socialist manner and on revolutionizing intellectuals in conformity with the demands of realities in which new many intellectuals hailing from the working populace have grown. The great leader has educated and disciplined intellectuals in a revolutionary manner by strengthening ideological indoctrination work and organizational life. Also, he has seen to it that intellectuals can be affected by the working class in a revolutionary manner in realities.

The great leader and dear Comrade Kim Chong-il have developed the struggle for the revolutionization and working class-orientation of intellectuals onto a new higher level in conformity with the demands of our developing revolution in which the historic task of imbuing the entire society with the chuche idea.

Having set forth the original policy of an ideological campaign, dear Comrade Kim Chong-il has strengthened the ideological indoctrination work of firmly arming intellectuals with the chuche idea, the most revolutionary world outlook of our times, and the ideological struggle to uproot the worn-out ideological remnants remaining among them and to thoroughly deter the ideological and cultural infiltration of imperialists. Also, he has seen to it that intellectuals have steadily disciplined themselves through a revolutionary organizational life and revolutionary practice.

It is thanks to the wise leadership of the great leader and dear Comrade Kim Chong-il that under the condition in which the frenzied antisocialist maneuvers and ideological and cultural infiltration of imperialists have been further intensified than ever before, our intellectuals have advanced with faith along the path of socialism and communism, indicated by the party and the leader, in a single-hearted unity, cherishing the high pride and confidence of being the masters of the revolution who push ahead with the chuche revolutionary cause.

The great pride and confidence of our intellectuals who vigorously push ahead with the chuche revolutionary cause are also based on our most superior socialist system embodying the chuche idea.

The great leader Comrade Kim Il-song has taught: "The socialism of our country is, in a word, man-centered socialism which embodies the chuche idea. Our popular masses have become the true masters of society. Our society is a genuine people-minded society in which everything serves the popular masses. These are fundamental features of our society." ("Let Us Fully Display the Superiority of Our Country's Socialism," booklet, p 2)

Man, a social being, is affected by social circumstances. Therefore, the nature of a social system importantly affects his activities. A social system and its nature are objective factors that regulate man's activities.

The reason why the intellectuals of an exploiting society serve the exploiting class is largely connected with the fact that they have hailed from the class of the haves and that the society is a society for the sake of the exploiting class. Though they have an anti-imperialist revolutionary idea and patriotic spirit, the intellectuals of colonial and semi-colonial countries serve imperialists and their lackeys. This is because a colonial society is dominated by imperialists. The intellectuals of the exploiting society, who belong to the intermediary class of the society, cannot but serve the exploiting class unless they turn in a revolutionary struggle against the exploiting class.

Today, our intellectuals can live and struggle, while taking the great pride and confidence in carrying out the chuche revolutionary cause. This is because the popular masses have become the master of everything and because everything serves the people in our country's socialist system.

The genuine pride and confidence of the people lies in serving the popular masses. Under our country's socialist system in which the popular masses have become the master of society, all activities of the people are for the popular masses.

Our intellectuals' struggle to develop science, technology, literature, and art is a rewarding struggle to provide the people with a more independent and creative material and cultural life. This struggle is precisely aimed at consolidating and developing a socialist system and carrying out the chuche revolutionary cause.

Our country's socialist system in which the popular masses have become its master is, accordingly, an objective condition enabling our intellectuals to turn out to the only single road of a rewarding chuche revolution to realize the independence of the popular masses. Herein lies one of the reasons why our country's socialist system leads the intellectuals to be intellectuals with great pride who vigorously carry out the chuche revolutionary cause.

The superior socialist system of our country has been an objective condition enabling the intellectuals to take the great pride and confidence in pressing ahead with the chuche revolutionary cause. This is linked with the fact that our country's socialist system makes it possible for the intellectuals to display their creative wisdom and strength to their hearts' content.

Man—social beings with creative spirit—can take pride and confidence when his creative spirit is fully brought into play. How much the creative ability of the people can be developed depends, however, on what a socialist system is like. The creative ability of the people is deeply regulated in an exploitation society in which everything serves for the exploiting class. Thus, all activities of the advanced intellectuals always become a target of suppression. The social relations in an exploitation society have become a stumbling block checking the development of history. This is because the exploitation society regulates the creative ability of the popular masses, the main forces of history. In an exploitation society in which the creative ability of the intellectuals together with the popular masses are ruthlessly trampled underfoot, the intellectuals cannot take pride or confidence no matter they do.

In our country's socialist system, there is no social or economic element checking the creative activities of the people. Under our country's socialist system in which the popular masses have become its master, the creative ability of all people have been brought into play to the maximum. In addition, the intellectuals' creative activities aimed at developing science, technology, literature, and art are firmly guaranteed by the correct policy of the party and the state. Accordingly, our intellectuals have pressed ahead with the chuche revolutionary cause by fully bringing into play their creative wisdom and strength and, thus, they take great pride and confidence in doing so.

Our country's socialist system is both the socialism based on collectivism and the firmest socialism in which the single-hearted unity of our popular masses are realized.

The solidarity and cooperation based on the revolutionary fidelity and comradery have become a base of social relations in our country's socialist system in which the leader, the party, and the masses constitute integrity. Therefore, our country's socialist system is dominated by the collectivist principle, "One for All, All for One." These social relations reliably guarantee the creative activities of the people.

Solidarity and cooperation are the basic method of the people's activities. The collectivist principle, meaning that all social members live and work while helping and leading each other, incredibly enhances the creative ability of the people and powerfully inspires them to the struggle to carry out the chuche revolutionary cause. The comradely cooperation among the people on the basis of collectivist principle and, in particular, the creative cooperation among workers, peasants, and intellectuals

further enhance the creative ability of the intellectuals. Accordingly, this becomes a guarantee which makes it possible for the intellectuals to discharge their duties in the revolutionary struggle to carry out the chuche revolutionary cause. Herein lies another reason why our socialist system enables our intellectuals to take great pride and confidence in vigorously carrying out the revolutionary cause.

The great pride of our intellectuals in being directly charged with the chuche revolutionary cause is based on the firm conviction in justness of the chuche cause and in inevitability of its victory.

The chuche revolutionary cause—the socialist and communist cause—is a historic cause for finally realizing the independence of the masses of the people. The chuche revolutionary cause—the socialist and communist cause—is the struggle to realize the basic demand of the masses of the people for an independent and creative life. Therefore, it will certainly captivate several hundred millions of the working masses, and will be surely victorious.

History is to develop according to the aspirations of the masses of the people who are the masters of history. The socialist and communist cause is being carried out amid a fierce class struggle. Therefore, it may undergo temporary difficulties and vicissitudes. However, it is a resolute rule that socialism and communism will be victorious without fail.

The chuche revolutionary cause in our country traversed along the path of glorious victory while repelling various hindrance maneuvers of domestic and foreign enemies under the wise leadership of the great leader and dear Comrade Kim Chong-il. This cause has today reached a lofty stage to see the complete victory of socialism in the near future.

Through practical life, our intellectuals firmly believe the justness of the chuche revolutionary cause—our own-style socialist and communist cause—and inevitability of its victory. They are filled with resolute determination to tenaciously struggle for the final victory of the revolution by upholding the revolutionary banner of the chuche idea—the banner of socialism—under the leadership of the party and the leader.

Indeed, there is no end to the pride of our intellectuals who are powerfully pushing ahead with the chuche revolutionary cause—the socialist and communist cause—under the wise leadership of the great leader and dear Comrade Kim Chong-il.

Today our party and our people are faced with glorious tasks to further accelerate the socialist construction by vigorously waging the three revolutions—ideological, technological and cultural—and by upholding the historic speech of the great leader Comrade Kim Il-song at the first session of the Ninth Supreme People's Assembly. The role of the intellectuals in carrying out these tasks is indeed great.

The three revolutions—ideological, technological and cultural—are the basic methods for socialist and communist construction.

By demonstrating the lofty revolutionary zeal and creative activeness, our intellectuals should actively contribute to implementing the three revolutions of ideology, technology and culture.

In particular, the intellectuals should raise the nation's science and technology to an advanced level and should actively resolve the scientific and technological questions that arise when building the material foundation of socialism and communism by effectively utilizing the existing economic foundation.

To smoothly carry out the glorious mission assigned to the intellectuals at present, the intellectuals should vigorously wage the struggle to revolutionize and assimilate themselves into the working class.

By firmly arming themselves with the immortal chuche idea, our party's guiding ideology, the intellectuals should strengthen the revolutionary organizational life and thoroughly prepare themselves to become chuche-oriented communist revolutionaries with a thorough revolutionary outlook on the leader.

By doing so, our intellectuals should fulfill their work as demanded by the times and the revolution and should see to it that the justness of the policy of our party, which is composed of workers, peasants and intellectuals, be demonstrated more brilliantly.

Only victory and glory lie ahead of our intellectuals who are advancing under the leadership of the great leader and the great party by upholding the revolutionary banner of the chuche idea and by cherishing the great pride in being the masters of the chuche revolutionary cause.

## Obituary on Death of Alternate Member Issued

*SK0211041290 Pyongyang Domestic Service in Korean 2100 GMT 31 October 90*

[Text] Comrade Pak Myong-pin, alternate member of the Central Committee of the Workers' Party of Korea [WPK], deputy of the DPRK Supreme People's Assembly, and director of urology of the Korean Red Cross Society general hospital, regrettably died after a long illness at 1950 hours on 31 October, 1990, at the age of 68.

Comrade Pak Myong-pin had sacrificed himself to carry out our party's public health policy, upholding the leadership of the great leader. Comrade Pak energetically worked in important posts of public health units for a long time to consolidate the superior socialist system built in our country and to protect and improve the people's health.

Comrade Pak firmly armed himself with our party's chuche idea and with the revolutionary outlook on the

leader. And he was infinitely loyal to the party and the leader to the last moment of his life.

Even though Comrade Pak Myong-pin has died, his achievements contributing to our revolutionary cause and chuche-oriented medicine development will live forever.

[Dated] 31 October, 1990.

[Signed] The WPK Central Committee and the Administration Council of the DPRK.

### New Strain of Apples Dissemenated in North

*SK0211104690 Pyongyang KCNA in English 1026 GMT 2 Nov 90*

[Text] Pyongyang November 2 (KCNA)—Delicious apples have been harvested in Kim Hyong-kwon County which is situated on the Kaema Plateau, a northern region of Korea.

An apple averages 70 mm in diametre, 125 grammes in weight, and 16.2 percent in sugar content and it is soft and very sweet.

Kaema is the broadest plateau in the alpine area of our country. Its average height is 1,340 metres and annual average temperature is 1-4 degrees.

A vigorous work was undertaken to obtain new strains of crops and fruits acclimatized to different parts of the Kaema Plateau under the care of the party and state to improve the people's standard of living.

Potatoes, wheat, vicia, flax, hop, paddy rice, maize and other crops and such fruits as apricot, grape and plum and cabbage, radish, tomato, and cucumber and other vegetables suitable to the local natural and geographical features are cultivated there.

This county has obtained a completely new strain of apple through pollen cross-fertilization and cultivation tests for several years.

The new strain is called "Pungsan apple".

This apple is widely disseminated in this area.

### Central Committee Decrees Coal Miner's Day

*SK0211105190 Pyongyang KCNA in English 1011 GMT 2 Nov 90*

[Text] Pyongyang November 2 (KCNA)—July 7 has been instituted as coal miners day by a decree of the Central People's Committee of the Democratic People's Republic of Korea dated October 31.

According to the decree, the great leader President Kim Il-song on July 7, 1954, called at the June 13 coal mine and clearly showed the direction and way to be taken by the coal industry and warmly looked after the life of the miners. To commemorate for ever this day which opened a new phase of the development of coal industry in our country, July 7 will be observed as coal miners' day every year, it says.

### Meeting Held To Mark Democratic Party Founding

*SK0211112290 Pyongyang KCNA in English 1031 GMT 2 Nov 90*

[Text] Pyongyang November 2 (KCNA)—A national meeting was held in Pyongyang today to mark the 45th anniversary of the foundation of the Korean Social Democratic Party [KSDP].

It was attended by Politburo members and members of the C.C.[Central Committee], the KSDP, chairmen of provincial, city and county committees of the KSDP and party officials and active party members in Pyongyang.

In his report, Yi Kye-paek, chairman of the C.C., the KSDP, pointed out that over the past 45 years since its foundation, the KSDP has vigorously struggled for the establishment of a people's government based on a united front of all political parties, enforcement of democratic reforms, victory in the Fatherland Liberation War, postwar reconstruction and socialist construction and the cause of national reunification.

He continued:

The KSDP adopted a new platform and statutes at its sixth congress and reorganized itself from the Korean Democratic Party to the Korean Social Democratic Party and has since dynamically worked to attain its main political purposes—independence, sovereignty, democracy, peace and defence of human rights—with national social democracy as its guiding idea. In this course, the party has taken on new looks.

The prestige of the KSDP in the revolution and construction has risen and the party has many socialist and social democratic parties and other friends in different countries.

The main task of the KSDP today is to push ahead with socialist construction in the northern half of the country, achieve the independent and peaceful reunification of the country and tighten the friendly bonds with the world peaceloving forces.

The country must be reunified by means of founding the democratic confederal republic of Koryo on the three principles of independence, peaceful reunification and great national unity. To this end, the five-point policy for national reunification advanced by respected President Kim Il-song must be carried out to the letter.

The most important thing in accomplishing the historic cause of national reunification is to achieve the unity of our nation, the driving force of reunification. The KSDP will make all its efforts to strengthen work with the opposition parties of South Korea and other political parties, groupings and people at home and abroad so as to form a national united front, foil the "two Koreas"

plot and the "one-channel dialogue" scheme of the U.S. imperialists and the South Korean puppet clique and achieve the reunification of the country by 1995 without fail by concerted efforts of the nation.

Under the present situation of an unprecedented reactionary offensive of the imperialists to stifle socialism, the KSDP will resolutely defend the banner of socialism, carry out more thoroughly its foreign policy of independence, peace, friendship and non-alignment and thus make a positive contribution to building an independent, new world at an early date.

Present on invitation were Kim Chung-nin, secretary of the C.C., the Workers' Party of Korea, Chong Sin-hyok, chairman of the C.C., the Chondoist Chongu Party, and Yom tae-chun, Presidium member of the C.C., the Democratic Front for the Reunification of the Fatherland.

## South Korea

### Former North General Comments on War, Kim

*SK0111220790 Seoul YONHAP in English 0948 GMT 1 Nov 90*

[Text] Seoul, Nov. 1 (OANA-YONHAP)—The North Korean general who drew up the operational plans for the Korean war in 1950 said on Wednesday that North Korea invaded the South because it feared the South would attack it. Retired Army Lt. Gen. Yu Song-chol, 73, former chief of the operations bureau of the People's Armed Forces Ministry, in an exclusive interview said, "the invasion plan I drew up at that time was officially titled 'Preemptive Strike Plan' and it was meant to be a containment offensive against (President) Syngman Rhee's expected attack on the North."

Yu, now residing in Tashkent in the Soviet Union, also illuminated contacts between North Korea and the Soviet Union before the war, saying that North Korean leader Kim Il-song visited Moscow in March 1950 and discussed the invasion with Joseph Stalin. Yu's statements are the second confirmation by a retired North Korean army general that the war began with the North's attack, though Pyongyang still denies responsibility for the three-year fratricidal war.

In June last year, Gen. Yi Sang-cho, former deputy chief of the general staff of the North Korean army who is also residing in the Soviet Union, visited Seoul and declared that Kim Il-song started the war with Stalin's approval.

Yu revealed for the first time that the Soviet Union took part in the Korean war at China's request. The Soviet participation in the war was revealed in some news reports in Moscow earlier this year, even though the reports failed to admit that it was made upon China's request. He said he visited Beijing in October 1950 and asked Mao Zedong to come to the North's aid. Immediately thereafter, Yu said, Mao asked Stalin to provide military support because Mao feared a war with the United States.

"The substantial part of the invasion plan was arranged by the Soviet military advisory group and a Soviet lieutenant general, identified as 'Vasyliev,' was nominated to head the group in view of his experience in action against Germany," Yu said.

Yu was born in Tashkent as a third-generation Korean, picked by Kim in 1943 for his good command of Russian and came back to Tashkent in a form of political asylum after being grilled for his criticism of Kim's personality cult and the fratricidal Korean war and alleged spying for the Soviet Union.

Since Yu was one of the six planners of the invasion, his testimony about the invasion and Chinese and Soviet participation gives a unique insight into the root and branch of the war, which North Korea still contends was triggered by the South. Also important is his knowledge of Kim Il-song's anti-Japanese activities before Korea was liberalized in 1945 and the background of his first son's birth.

"It is a joke to say that Kim came back to the North while doing partisan activities against the Japanese army along the Duman River, for Kim entered the North together with me through Wonsan port under the direction of the Soviet Union after the Japanese Army had already pulled out," he said.

Contrary to the claims by the North that Kim was the leader of an anti-Japanese Volunteer Army, Kim had been the commanding officer of the 6th division of the 3rd Chinese anti-Japanese United Army stationed in Northeast China before he joined the Soviet Army. At that time the division was 100-man strong, Yu said. Kim was simply a captain commanding a battalion (captain) of the 88th brigade of the Soviet Army's far-eastern command when he came back to the North in September 1945, he said.

Kim Chong-il, his eldest son, was not born on Mt. Paektu. Kim married Kim Chong-suk in Khabarovsk in Siberia and she gave birth to Chong-il there in 1942, he said. North Koreans believe that Chong-il was born in a cabin on Mt. Paektu, a northernmost mountain respected by the Korean people as a symbol of the national spirit.

### South Group Proposes Pan-National Rally Talks

*SK0211061090 Seoul SEOUL SINMUN in Korean 1 Nov 90 p 2*

[Text] On 31 October, the "joint promotion headquarters for the pan-national rally," which is composed of such organizations as the "National Democratic Alliance of Korea," proposed tripartite talks, with the "promotion headquarters" and those of the North Korean side and the overseas compatriots participating, in Panmunjom on 12 November to discuss the issue of holding a "pan-national rally."

The "promotion headquarters" also announced that day that it had appointed as the South side's delegates, Rev. Mun Ik-hwan—who was recently released from jail after his sentence was suspended; Father Mun Chong-hyon; Yi Chang-pok, co-chairman of the "promotion headquarters"; Yun Yong-kyu, chairman of the "teachers union"; and Mr. Kwon O-chung, president of the Yonsei University General Student Council.

The "promotion headquarters" also sent a letter to the government authorities and the ROK-U.S. Combined Forces Command, which is in charge of security in Panmunjom, on that day. The letter urged them to "cooperate for the successful holding of the tripartite talks."

Also, on that day, the "teachers union" announced that it would invite North Korean teachers and hold a "pannational teachers rally for reunification" on Independence Day on 15 August 1991 in an effort to find ways to maintain national homogeneity and to foster education on reunification. The union notified the National Unification Board of this.

In connection with this, the National Unification Board said that if the South side's promotion headquarters for the pannational rally applies for contact with North Koreans, the Board will examine the application and will decide whether it will allow the contact or not.

## North, Japan Likely To Set Conditions for Talks

*SK0211012590 Seoul YONHAP in English 0101 GMT 2 Nov 90*

[Text] Tokyo, Nov. 2 (YONHAP)—Rough sailing is forecast for talks between North Korea and Japan on normalizing relations as both sides are likely to lay down strict conditions and demands.

When they meet in Beijing on Saturday, the North is likely to argue for compensation for atrocities committed against Koreans during World War II and for post-war suffering, as agreed by a group of Japanese parliamentarians in Pyongyang in September, and Japan will push North Korea to sign the Nuclear Safeguards Accord of the International Atomic Energy Agency and take other steps to ease tension on the Korean peninsula.

Japanese Foreign Ministry sources said Friday their delegation would try to put aside the compensation issue until plenary talks and call for efforts to promote security on the Korean peninsula.

The two governments, hostile since the end of Japan's colonial rule of Korea in 1945, also differ on date and place of the plenary talks. North Korea wants to start the plenary talks next month while Japan prefers January, arguing that before then it is too busy with the coronation of Emperor Akihito, an extra session of the Diet, Foreign Minister Taro Nakayama's visit to the Soviet Union and domestic political matters such as next year's budget.

Diplomats say there may be another round of preliminary talks in Beijing this month to iron out these differences. It will be the first time since the end of World War II that government officials from North Korea and Japan meet to discuss normalization. Tokyo normalized relations with Seoul in 1965.

Members of Japan's ruling Liberal Democratic Party and major opposition Japan Socialist Party visited North Korea last month led by former Deputy Prime Minister Shin Kanemaru and issued a joint statement with the Workers (Communist) Party.

It was during their visit that North Korean president Kim Il-song aired his hope to normalize relations with Tokyo.

The Japanese vernacular daily ASAHI SHIMBUN reported Friday that Tokyo would send a delegation headed by a vice foreign minister-level official to talks on normalization to be held in Beijing in late January and the decision would be conveyed to North Korea in the preliminary talks this weekend.

## Minister Confirms Korean Fighter Program Review

*SK0111054890 Seoul YONHAP in English 0535 GMT 1 Nov 90*

[Text] Seoul, Nov. 1 (OANA-YONHAP)—Defense minister Yi Chong-ku confirmed Thursday that the South Korean Government is reviewing the Korea fighter program, and said a decision will be made early next year. The government is trying to avoid changing the type of fighter because of possible international problems but will do so if necessary, Yi told reporters.

He said the government had expected McDonnell Douglas, the U.S. contractor for the 4.2 billion U.S. dollar second-generation air force fighter program, to raise the price of its planes once full-fledged negotiations began but the requested amount was much higher than expected.

McDonnell Douglas agreed last December to sell Korea some 120 F/A-18 Hornets, 12 finished planes, 36 assembled in Korea through U.S.-supplied kits and 72 coproduced at Korean factories, for a little over 4.2 billion dollars. The American aerospace company is now reportedly asking for 7 billion dollars.

Review of the fighter program would mean returning to the starting point to determine the best type, amount and method of purchase and technology transfer arrangement, the minister said. As the Korea fighter program cannot be halted or delayed, the ministry will consult with authorities and field experts for a final decision by early next year, he said.

## Further on Fighter Program

*SK0211094590 Seoul YONHAP in English 0803 GMT 2 Nov 90*

[By Yi Tong-min]

[Text] Seoul, Nov. 2 (OANA-YONHAP)—Possible changes in the Korea fighter program [KFP] involves not just monetary concerns but careful inspection of sensitive Korea-U.S. military and economic relations closely interlocked with the multibillion dollar deal.

The KFP, one of Korea's largest and most ambitious military contracts, is aimed at building up the country's air force and acquiring the much-needed technology to self-produce superior jet fighters.

When the Defense Ministry announced in December last year its choice of the F/A-18 Hornet of McDonnell Douglas for the program, observers were surprised it had not selected the cheaper F-16A Fighting Falcon of General Dynamics. The F/A-18s are better fitted to technically match North Korea's newly acquired Soviet Mig-29s and Su-25s, the ministry said at the time, and worth extra 7 million dollars each.

But the deciding factor was an arrangement for technology transfer under which the American contractor was to supply kits to assemble 36 fighters in Korea, followed by co-production of 72 others at Korean factories. Seoul was to buy only 12 finished warplanes from McDonnell Douglas. The program, dubbed "second-generation fighter plan," is a step toward military self-sufficiency as Korea faces gradual U.S. troop reductions. Inter-Korean rapprochement is stirring doubts within the country about the continued, full-fledged presence of American troops.

Gen. Louis C. Menetrey, former commander of the Korea-U.S. Combined Forces Command, said during his service in Korea that with the KFP and other military strengthening measures, American soldiers would no longer need to stay.

U.S. Secretary of Defense Richard Cheney, during a visit in February, suggested a scaleback of 5,000 non-combatants out of 43,000 stationed forces, along with a hike in Korea's direct contribution to cost sharing from 300 million to 680 million dollars. A bill submitted to the U.S. Congress calls for a reduction of 7,000 American soldiers by the end of 1992 and gradual phaseout, depending on progress in inter-Korean talks.

These are clear signs that South Korea must prepare to stand on its own. They are also the reasons the Defense Ministry cannot halt or delay the program, let alone reduce its scale. Any delays delay the desired military self-sufficiency, and further inflate the cost of the jet fighters.

Defense Minister Yi Chong-ku confirmed Tuesday that the program is under review but said the government would do its best not to shift to another type of aircraft "to avoid possible international complications." The dilemma is that the ministry cannot pay the new price tag demanded by McDonnell Douglas. The initial contract amount was for 4.2 billion dollars. The new demand is between 6 billion and 7 billion dollars.

"There are factors that have caused the cost of the program to grow, the main one being a higher than projected inflation rate in the United States," said a statement released by McDonnell Douglas Monday. "A drop in the U.S. Navy's procurement rate and technological improvements to the F/A-18 have also caused a moderate increase in the F/A-18's unit price."

The American company has had to slow its fighter production line because of warming relations between the East and West, the cancellation of orders by Switzerland and export schedules upset by the crisis in the Persian Gulf.

Korea expected McDonnell Douglas to ask more for the 120 jet fighters once official negotiations opened, but the requested amount was much higher than anticipated. The Seoul government, however, is not in a position to easily acquiesce to the price increase. The cabinet has allotted 9.63 billion dollars for the 1991 defense budget, a 12.9-percent rise over a year earlier. Though the amount is much lower than in other sectors, such as a 27.9-percent increase for social development and a 33.5-percent increase for economic development, it was hard-earned.

The Economic Planning Board had requested a below 10-percent hike in national defense spending, reflecting the public's mood that it was about time the government paid more attention to social affairs than military concerns.

Korea simply cannot afford the new cost, says the Defense Ministry, perhaps hoping deep inside for extra help from the government's special budget to get it out of the KFP crisis.

The Seoul government, restricted by all these side issues, does not have as much room to carry out a real "review" as it may think, some military experts say. Korea was not in a demanding position in awarding the giant KFP contract, although there was heated competition between McDonnell Douglas and General Dynamics. Seoul reportedly settled on supplying about 30 percent of the necessary aircraft parts, compared to the usual 50 percent for European countries.

The 30-percent figure is "not low" when considering Korea's trade surplus with the United States, Defense Ministry officials said at the time of the contract.

Seoul is also aware of strong opposition within the U.S. Congress to the transfer of jet fighter production technology to Korea for fear it may lead to direct competition with American firms.

The Defense Ministry may have no choice but to reconsider the program, but experts say finding the right solution will be difficult.

### Soviet Analyst on No's Moscow Trip, N-S Summit

*SK0111123990 Seoul YONHAP in English 1228 GMT 1 Nov 90*

[Text] Seoul Nov. 1 (YONHAP)—Soviet President Mikhail Gorbachev is expected to visit Seoul around his visit to Japan, slated for March or April next year, while Korean President No Tae-u's visit to Moscow may precede Gorbachev's visit to Seoul, a Soviet journalist said Thursday.

Aleksandr Vobin, a political analyst for IZVESTIA, the Soviet Communist Party organ, said in an interview with YONHAP News Agency that the Soviet leader is likely to visit South Korea on his way to or back from Tokyo next spring. Vobin also said that a summit meeting between South and North Korea would be possible and that preparations to arrange the summit meeting are going on. He added, however, that the reunification of the two divided halves may be possible only after there is an epochal change in the North.

On the South Korean-Soviet relations, Vobin said that the relations are still on the burgeoning stage and there are lots of problems to be settled between them considering their past relations.

He said that relations between his country and North Korea have become sour following the establishment of Seoul-Moscow diplomatic relations at the end of September but that it is a temporary phenomenon and the relations will be normalized eventually. He observed that the prospects for Beijing's recognition of the South Korean government are optimistic.

### Prime Minister To Attend Akihito Coronation

*SK0211054090 Seoul YONHAP in English 0525 GMT 2 Nov 90*

[Text] Seoul, Nov. 2 (OANA-YONHAP)—Prime Minister Kang Yong-hun will represent South Korea at the coronation of Japanese Emperor Akihito on Nov. 12, the Foreign Ministry announced Friday. Kang will fly to Tokyo on Nov. 11 and stay until Nov. 14, a ministry spokesman said. In Tokyo, he will meet with Prime Minister Toshiki Kaifu, Indonesian President Suharto, U.S. Vice President Dan Quayle and other foreign envoys, the spokesman said. The premier will be accompanied by his secretary-general, Yi Chin, and Second Assistant Foreign Minister Yi Ki-chu.

### Beijing Trade Office To Be Staffed This Month

*SK0211053690 Seoul YONHAP in English 0522 GMT 2 Nov 90*

[Text] Seoul, Nov. 2 (YONHAP)—South Korea will staff its trade office in Beijing with 20 working-level officials this month under an agreement reached Oct. 20.

Foreign Minister Choe Ho-chung said Friday, "Of the 20 officials on the staff, half will have diplomatic immunity under an understanding between the two governments. Because it is a private organization by form but has the character of an official establishment in substance, a diplomat of much experience will head the trade office."

It is said that a former vice foreign minister is top choice for the job.

The two countries are expected to conclude details such as timing of the opening and naming an office head by end of the month, but there have been no notifications from Beijing yet, a Ministry official said.

Asked if he received a request from the United States to send troops to the Persian Gulf, Choe said, "So far there has been no such request, but we will discuss the matter if it arises."

### Head of Mongolian News Agency Visits Seoul

*SK0111041690 Seoul YONHAP in English 0121 GMT 1 Nov 90*

[Text] Seoul, Nov. 1 (YONHAP)—S. Bayar, director general of the Mongolian News Agency MONTSAME, arrived in South Korea on Wednesday afternoon at the invitation of YONHAP News Agency. During his stay through Monday, Bayar will meet with leading Korean journalists to discuss ways to promote bilateral press cooperation and will sign an agreement on news cooperation with YONHAP.

YONHAP and MONTSAME have been members of the organization of Asia-Pacific News Agencies since 1981.

### Minister Against Liberalization of Rice Imports

*SK0211095390 Seoul YONHAP in English 0643 GMT 2 Nov 90*

[Text] Seoul, Nov. 2 (YONHAP)—South Korea will not consider liberalization of rice imports for any reason even if it impedes the Uruguay Round multilateral negotiations, Korean Agriculture, Forestry and Fisheries Minister Cho Kyong-sik said Thursday. According to a report from the ministry on Friday, Cho made the remarks to reporters in Geneva, Switzerland.

He was quoted by the ministry as telling them Korea would completely reconsider its proposed liberalization of agricultural imports and reduction of government subsidies if 15 items such as rice, beef and corn are not adopted as non-trade concerns (NTC). Korea wants the 15 items to be chosen as NTCs so they can be exempted from import liberalization.

Cho visited Arther Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), at his office earlier in the day. He told Dunkel that Korea could not afford to accept radical import liberalization of agricultural products due to the fragility of its agricultural industry.

The South Korean Government needs a substantial period to complete its plan to reshape the structure of its agricultural industry, he said.

## Editorial Urges Immediate Dissolution of DLP

*SK0211111690 Seoul HANGYORE SINMUN in Korean 2 Nov 90 p 2*

[Editorial: "The Democratic Liberal Party Must Be Dissolved"]

[Text] The Democratic Liberal Party [DLP] must be dissolved. This is the way to rescue the people and to extricate politics from bankruptcy. At the same time, this is the best way for the DLP as well. The DLP is nothing but a clique composed of those who have no political ethics and no disciplinary ethos, who are blind to everything except power. Accordingly, as for its dissolution, the sooner, the better. This is the way to rescue all.

The DLP is not the one which has been born with a clear political vision. As a result, there has been no consistency in North-South dialogue and in implementing the economic and social policies at home and the overall social activities have been brought into a very disorderly situation. Politics as well have been consistently in paralysis since the merger of the three parties. As described by the DLP itself, it is a total crisis. All the current social phenomena have developed precisely due to the merger of the three parties. Very ambiguous rhetoric such as a "Decision for National Salvation" and "New-Thinking" have been used to embellish the merger. However, the very immoral compromise reached in the closed-door huddle has now been brought to light. And the compromise reached in the closed-door huddle was precisely the premise to the birth of the DLP. In other words, the revision of the Constitution for a parliamentary government system and the agreement over the question of supreme power were the political motives for the merger of the three parties.

The extreme feud in the DLP at present is due to the fact that the agreement over the two issues has not been smoothly put into practice, because of the realistic stakes of each faction in the party. One side is resisting by sensing the air that the promise for supreme power would not be kept and the other side is complaining over the breach in agreement on the revision of the Constitution. Presently, it is not clear whether those who signed the agreement memorandum had any desire from the beginning to keep the promise. However, the fulfillment of the agreement has now become difficult. Last April, the Democratic Justice Party faction attacked the Reunification Democratic Party faction by saying that the latter leaked the memorandum over the question of supreme power and, then, the Reunification Democratic Party faction is now boycotting the party activities by saying that the Democratic Justice Party has revealed the memorandum over the question of revising the Constitution. Thus, from a moral point of view, the DLP factions are not in a position to criticize one another. Distrust has deepened to the degree we see now, and the party has been completely paralyzed. The normal operation of the party is now impossible. No matter how immoral and conspiratorial it may have been, there has so far existed a political footing that has sustained the DLP. However, the footing has now been completely destroyed. This being the situation, do those who took the lead in merging the three parties still have reason to maintain the party?

What we want is the early dissolution of the DLP. This is good for all, if the party is going to break up anyway someday. By dissolving the DLP and by holding the National Assembly general elections, a new political arena must be formed. If it is attempted to maintain the DLP by reaching some agreement among the factions on hegemony in the party or on supreme power, this would be an act of making a mockery of the people and driving the politics of this country along the endless road of bankruptcy. We expect that those who belong to each faction of the DLP bear this deep in their minds.

## Possible Democratic Liberal Party Split Viewed

*SK0111071090 Seoul YONHAP in English 0625 GMT 1 Nov 90*

["News analysis" by Hong Sang-pyo: "Kim Yong-sam's Actions Threaten To Split Ruling Party"]

[Text] Seoul, Nov. 1 (OANA-YONHAP)—The likelihood of a split in South Korea's ruling Democratic Liberal Party [DLP] was increased on Wednesday, when Executive Chairman Kim Yong-sam stopped just short of threatening to leave the party in a tough statement against the party's moves to change the system of government, analysts said Thursday.

Kim, the No. 2 man in the DLP after President No Tae-u, told a hastily called news conference the party should not push for a parliamentary cabinet system as long as the opposition and the people were against it. He then left for Masan, his hometown, in a symbolic action to express his displeasure at moves by other DLP factions to force him to support the change.

Kim has boycotted party duties since Monday and flatly ignored an order from No for him to return to his office, plunging the eight-month-old ruling party into the worst crisis since its creation. His remarks and actions are apparently a declaration of war on the other factions in a de facto power struggle with No, the analysts said.

Meeting with reporters in his father's house in Masan on Thursday, Kim said he would not agree to rewrite the Constitution to adopt a cabinet system and would not "beg" No for a meeting.

Kim's aides did not rule out the possibility that Kim and his followers in the DLP, the second largest faction with more than 50 of its 218 lawmakers, might leave the party unless there is a compromise. The 50 lawmakers, in a statement adopted in an urgent meeting Thursday, said they fully supported Kim's actions and would not hesitate to leave the DLP to follow him. Their secession would mean the collapse of the DLP and deal a serious blow to the president while plunging politics into chaos.

Whether they leave or not totally depends on how the DLP factions under No's control react, they said. The largest DLP faction, headed by No, and a faction led by Kim Chong-pil are being cautious, with high-ranking members refraining from direct comment on the feuding. Hardliners of the two factions made it clear that they would not agree to Kim's demand to renounce moves to adopt a cabinet system and raised the possibility of the breakup of the ruling party. They said an accord on the cabinet system should not be nullified as it was the reason for the three-party merger.

"We are even preparing for the worst situation," said Rep. Kim Chin-chae, No's secretary-general.

Moderates, meanwhile, say a compromise should be sought between Kim and No to prevent a split, which they fear might lead to the political death of their factions as well as Kim's. No had a cold response to Kim's actions and indirectly expressed his displeasure while indicating that the feud would not be solved by his concession but by Kim's, even though he described it as an incident triggered by "misunderstanding" and said he was optimistic that it would soon be resolved. No has said he prefers a cabinet system to a presidential one.

No said he would meet Kim if he returned to Seoul to resolve the feud but would not send an envoy to Masan to persuade him to retract his hard position.

The worst of several disputes since the party's creation, the bad blood erupted last week when a Seoul newspaper published a secret memorandum of an agreement to push for a cabinet system that was signed by No and the two Kims just before they formalized the merger of their parties into the DLP. Kim, who all along strongly resisted moves to introduce a cabinet system despite the accord, was angry the secret document had been leaked as the three leaders had promised to keep it secret and he had repeatedly denied its existence.

Kim, who is considered a front-runner for the DLP presidential nomination in 1992 but faces a strong challenge from the other factions, apparently sees the leak as a plot to portray him as politically immoral, weaken his status in the DLP and probably remove him from the party's power structure. Kim's fears might have stemmed from widespread rumors that No and his faction, drawn from the pre-merger ruling party, may seek a second political realignment that ultimately aims at removing the so-called three Kims, including opposition leader Kim Tae-chung, from politics entirely.

The possibility of such a move was also signalled Wednesday by former first state minister Pak Chol-on, No's most trusted aide and de facto leader of the anti-Kim forces in the DLP. Addressing a seminar in Seoul, Pak indirectly called for Kim to retire by saying, "politicians of self-righteousness and egotism should step down."

Under these circumstances, Kim must have acted out of the belief that his political future could not be guaranteed if he failed to get a strong grip on the party at this time and that sharing power with No as No. 2 man in the DLP would open the way for him to win the party nomination, the analysts said.

The unprecedented political realignment in February gave the DLP an overwhelming majority of 218 out of 299 national assembly seats and made Kim, a lifelong fighter for democratization, well placed for the presidency by virtue of his status in the DLP.

Despite the confrontation among DLP factions, moderates in No's faction carefully raised the possibility of a compromise. They suggested calling a general election and deciding the cabinet issue in accordance with the outcome. But most analysts agree that No holds the key to resolving the feud, and must decide whether he will yield to Kim's demand or not and, thus, whether he lets Kim leave the party or not.

The opposition parties, led by Kim Tae-chung and Yi Ki-taek, in tactical alliance with Kim Yong-sam, said they fully support Kim's stand against a cabinet government.

Yi's splinter Democratic Party even hinted at rejoining forces with Kim's faction. Both groups are based on the pre-merger reunification democratic party.

### Ruling Party Likely To Accede to Kim Yong-sam

*SK0211031790 Seoul YONHAP in English 0236 GMT 2 Nov 90*

[Text] Seoul, Nov. 2 (YONHAP)—Ruling party Executive Chairman Kim Yong-sam will apparently get his way and plans to introduce a cabinet system of government will be shelved until after the 1992 general elections, an informed source said Friday. Other party leaders have concluded that it is impossible to rewrite the Constitution for a new system of government as long as Kim, the No. 2 man in the Democratic Liberal Party (DLP), is leading a revolt against it, the source said.

The DLP may decide whether to push for a cabinet system based on the result of the 1992 general elections, said the source, who declined to be identified. But if the presidential system is retained, the DLP may allow free competition for the party's presidential nomination, he said.

These proposals—virtual renunciation of the cabinet system and adoption of a competitive presidential nomination—may be presented as a compromise by factions headed by President No Tae-u, Kim and Kim Chong-pil, another co-leader of the party, to end their feuding over the system of government, he said.

If Kim agrees to a competitive presidential nomination, No and Kim Chong-pil may reciprocate by giving him a bigger power inside the party, the source said.

The ruling party, created in February in a ill-matched marriage of political convenience by three parties with

totally different backgrounds and ideals, was almost torn asunder when Kim, who strongly resisted moves by the two other factions to rewrite the Constitution to adopt a cabinet system, stopped just short of threatening to leave the party in a tough statement on Wednesday.

Hardliners in the faction under No's control insist Kim be allowed go his own way as they will never concede to his demand for abandoning moves for the cabinet system, which they contend was reason for the three-party merger, while Kim and members of his faction stand firm against the new system of government. Moderates, meanwhile, fear the breakup of the eight-month-old party and are calling for a compromise such as reconsidering plans to revise the Constitution.

Kim has been in Masan, his hometown, and boycotted his party duties since Monday to show his determination. The source said No is expected to meet with DLP Co-Chairmen Kim Chong-pil and Pak Tae-chun by Saturday to discuss the feud. If their two factions draft a compromise, a crucial meeting between No and Kim Yong-sam could be arranged next week after behind-the-scenes negotiations among the three factions, the source said.

### Court Ruling Could Bring TV Privatization

*SK0211075390 Seoul YONHAP in English 0715 GMT 2 Nov 90*

[Text] Seoul, Nov. 2 (YONHAP)—A Seoul court has nullified the sale of shares in one of South Korea's two radio and television networks and ordered their return in the first judicial ruling against the government-led merger of news media in 1980.

The Nambu branch of the Seoul District Court, in two separate rulings on Thursday and Friday, said Munhwa Broadcasting Corp. (MBC) should return 27,428 shares in five local stations to six individuals. "It was illegal for the military intelligence agency to force these people to give up their stock in MBC despite claims that it was in the public interest. Since the plaintiffs signed the papers (giving up their shares) under coercion, the contracts are invalid," presiding Judge Yi Yong-pok said in Thursday's ruling.

Yi ordered MBC to return 10,080 shares of its Chongju and Kangnung affiliates to Yi Sok-hun, Choe Tong-ung and Han Pyong-ki. On Friday, MBC was ordered to return 17,348 shares to Pak Chae-kyu, Kwon E-tam and Pyon Tae-hui, shareholders in its Cheju, Mokpo and Yosu stations. MBC will appeal the judgement and it will be one or two years before the supreme court makes a ruling. If the highest court decides in favor of the plaintiffs, it will set a precedent that could fundamentally change the structure of MBC.

Majority shareholders in five of 18 local stations whose stock was transferred to MBC in 1980 won this week's court rulings and former shareholders of the remaining 13 stations are expected to bring similar suits to recover their shares, taken from them on the orders of then-Gen. Chon Tu-hwan. Chon led a group of fellow generals, including incumbent President No Tae-u, in a "purification" of the media in a power-grab following the assassination of president Pak Chong-hui in October 1979, closing papers, news agencies, a broadcasting system and a TV-radio network, and putting MBC under their control.

Shares in local stations were bought by Seoul MBC, and then 70 percent of the shares in Seoul MBC were sold to the government.

The rulings are expected to encourage the former owners of Tongyang Broadcasting Co. (TBC) and Dong-a Broadcasting System (DBS) radio station, CHUNG-ANG DAILY NEWS (owned by the Samsung Business Group) and DONG-A ILBO daily newspaper, respectively, to seek the return of the companies. It may also prod the seven conglomerates forced to abandon their 70 percent stock in Seoul MBC to file suits to get their shares back.

Hyundai, Lucky-Goldstar, Daehan Life Insurance, Haitai and Dong-a (no connection) owned 10 percent each of Seoul MBC, a Ssangyong affiliate had 15 percent, and Seoul Miwon had 5 percent. If these groups were to get their shares back, it would automatically privatize MBC, which is owned by the state-run Korea Broadcasting System (KBS), the nation's largest TV-radio network, and KBS might have to yield one or two of its four channels if TBC and DBS are returned to life.

The defendant, MBC president Choe Chang-pong, had insisted the lawsuits were void because the statute of limitations expired in 1983, but Judge Yi rejected the claim because the suits could not be brought during Chon's reign. "The three-year prescription must begin in December 1988, when the 13th-term National Assembly launched public hearings into the merger of the news media and when the merger obsession of the Fifth Republic (Chon's government) was cleared on the part of the plaintiffs," Yi said. Under this ruling, those who suffered damage by the forcible merger of news media may sue to retrieve their rights until December 1991.

### * Government To Launch Environmental Program

*902C0308A Seoul HANGUK ILBO in Korean 10 Aug 90 p 19*

[Article by reporter Won In-song]

[Text] **Environmental Agency Set for Full-Scale Launching of Its Program in the Second Half of the Year**

The government is set to launch its program for permanent, radical environmental protection, focusing efforts as a matter of policy on the whole range of environmental science and technology such as environmental test, research and development, and training of professional manpower. Inevitably, left to the civilian sector, this endeavor has been in a backward stage.

The Environmental Agency is formulating plans, both long range and short term, that include a research estate of its own. It has begun consultation on budgetary matters with the ministerial authorities concerned.

The Environmental Agency's master plan for the promotion of environmental science and technology calls for a program in three phases: a) To establish a basic environmental system (1990-1992); b) to promote high-tech development (1993-2000); and c) to foster high-tech environmental industries and advance into overseas markets (2001 onward).

It represents a positive turnaround in posture that the Environmental Agency, breaking from the past supervision-oriented administration, has established comprehensive measures for environmental protection, and this, along with the basic law for environmental policy taking effect, embodies the government's will for environmental protection, and as such, may be characterized as epoch-making.

**Phase One**

Any concrete aid in research and development is possible only after the establishment of a basic environmental system. In phase one, an information center for computerizing environmental/pollution data of various kinds will be established under the umbrella of the Environmental Agency and it will be the policy to encourage business corporations and university research institutions to exchange information.

At the information center, an index to dissertations and data on environment will be provided, and a handbook of apparatus for the prevention of environmental pollution will be printed for dissemination, making it possible to gain a grasp at a glance of the current situation of various apparatus.

At the same time, strengthening the function of the environmental consultation office which the Environmental Agency set up last April, establishing on-line connection with the Industrial Research Institute's information network on science and technology, the Environmental Agency has decided to answer inquiries from the research institutes of business corporations.

In addition, it is planning to provide structural standards along with management guidelines for environmental facilities such as the plant for the terminal treatment of industrial effluent and the plant for the treatment of industrial waste.

The Korean Institute of Waste has been commissioned to produce by the end of the year basic structural specifications for the treatment of gas and exudate and prevention of malodor as landfill standards. Public notice will be given as to when the specifications are available, and these shall be compulsorily observed by all landfills.

**Phase Two**

In phase two the Environmental Agency will be extending intensive aid to research and development, and is scheduled to provide specialized education for environmental technical personnel. To that end, out of the 6.3 million pyong site to be created along the Kimpo coast for a metropolitan sanitary landfill, the target date for its completion being the end of 1996, a plan is also under study to set aside 250,000 pyong for comprehensive research in environmental science and technology on the scale of the Taedok research estate, and establish a school for training personnel in environmental science and technology similar to the Labor Ministry's vocational training school. Moreover, specifying as designated subjects those spheres of environmental science and technology which are considered especially urgent in our situation, intensive aid will be extended in their survey, research, and development.

For instance, in the area of effluent treatment, if it is determined that technologies in the treatment of plating effluence or livestock effluent are weak causing severe water pollution, then priority will be given to the research and development.

**Phase Three**

In phase three which will begin from the year 2001 onward, the environment-related business will be fostered into a high-tech industry, and efforts will be made to advance into the markets of the Soviet Union, China, and Southeast Asia where demands for the environmental industry are expected to grow. In order to push ahead with such a program, the Environmental Agency is currently in consultation with the Economic Planning Board for budgetary needs estimated to be 30 billion won for phase one and 200 billion for phase two.

At the same time, the Environmental Agency has under consideration a plan to revamp and expand the National Environmental Research Institute into a national policy research institute and make it substantially back up the formulation of an environmental policy, linking natural science to cultural and social sciences.

Also being pushed ahead is a plan to enhance the efficacy of environment-related research by establishing and operating an environmental test station for the standards of test and approval of the type of environment-related facilities of various kinds, in one and the same estate together with the environmental information center and professional personnel training school.

**The Meaning of Long-Range and Short-Term Plans**

Currently, in our country the environment-related research establishment includes the National Environmental Research Institute under the umbrella of the Environmental Agency and research facilities at a few universities. That is about all that there is. Moreover, most of them even lack basic test facilities, sad to say. To be sure, there exist the Environmental Law Society and

the Environmental Economics Society. But most of their research is weighted with overemphasis on an approach from natural science, with the result that it is far from an approach from cultural and social sciences oriented in economics and philosophy, far from the development of a comprehensive environmental policy based on such an approach.

In fact, it was only in 1980 that the Environmental Agency became independent as an auxiliary agency of the Ministry of Health and Social Affairs, and it is no exaggeration to say that in the 10 years since it has been engrossed in lessening or covering up pollution, a passive endeavor.

However, in the 1980s the people's environmental awareness heightened greatly and the domestic market for pollution prevention facilities grew rapidly, making it urgent to develop the science and technology for coordinating and backing up the facilities.

The domestic market for the environmental industry such as the pollution prevention business of various kinds has been growing rapidly at the annual rate of 30 percent, as witnessed in the growth of the business from 290 billion won for 1988 to 340 billion won for 1989, and it is estimated it will reach the 400 billion won level this year and exceed 1 trillion won in 1995.

As opposed to this, more than half of the 540 environment-related businesses in the country is small business with 100 million won capital or less. The ensuing overheated competition makes research and development all but impossible, and poor workmanship makes it difficult to effectively prevent pollution. Because of that, major parts for sewage treatment or incinerator plants have to be imported from advanced countries such as Japan, the United States, and Germany, and the trend is that even the domestic environmental industry has to depend for parts increasingly on overseas markets as the seriousness of our environmental problem deepens.

The comprehensive long-range and short-term plans of the Environmental Agency, taking such realities into consideration, are aimed at extending aid on the state level in related information, in research and test facilities, in eliminating factors in waste between businesses such as duplicate investment, in supporting them as policy-oriented businesses, so as to heighten the efficacy of the pollution prevention technology and advance into the markets of those countries lagging behind in environmental protection.

The Environmental Agency people contend that in the case of China, sewage treatment plants are all but nonexistent but in the future, in step with the developing economy, environmental protection needs are expected to grow rapidly; and for this reason, the environmental science and technology must be aided and fostered as a matter of policy.

However, the key to the success of such a program is the sustained, positive push and concern of the government and/or the business community. Ko Chae-yong, the Environmental Agency's R & D Section Chief, stressed "The time has come to do away with the preception that environmental investment is expenditure for nothing and to realize that such investment is one for lowering the production cost and is in itself a market of bright prospects," and went on to say, "Efforts are being made on the state level to foster the environmental science and technology for actively coping with the environmental problem."

## Brunei, Malaysia & Singapore

### Malaysia

#### Mahathir Says U.S. Groups 'Obstruct' Growth

*BK0111160790 Kuala Lumpur Domestic Service in Malay 1430 GMT 1 Nov 90*

[Text] Datuk Sri Dr. Mahathir says he is convinced several organizations in the United States and other developed countries, aided by certain individuals in these countries, will continue to try to obstruct Malaysia's economic growth. He says if the action is thwarted this year, there will again be efforts to obstruct economic growth next year.

The prime minister was commenting on the rejection by a U.S. district court of a suit by an American labor group and other groups against President Bush and several administration officials for allegedly failing to enforce the workers rights provisions of the Generalized System of Preferences. Datuk Sri Dr. Mahathir said this at Kuala Lumpur International Airport this afternoon.

On contests for important posts within the United Malays National Organization during a Supreme Council election on 30 November, he said the contests could take place, provided the party's position would not be affected. Asked for his opinion on whether the present posts of party vice presidents should be maintained, the prime minister said he could not give his viewpoints because to do so would mean that he was partial.

#### ASEAN Threat To Boycott EC Goods Supported

*BK3110095890 Kuala Lumpur International Service in English 0800 GMT 31 Oct 90*

[Station commentary]

[Text] It looks like ASEAN has no other choice but to act to safeguard its economic interests. All this while, European Community, EC, countries have been threatening to ban the import of tropical woods from the Malaysian state of Sarawak. This is based on the belief that forests were cleared with no management at all. No doubt Malaysia and ASEAN recognized there are enviornmental groups concerned with the environment. But there were some groups which carried out their antitropical timber campaign based on sentiments and irrationality. Action was taken not because it was right, but because it was [words indistinct]. It matters not to the Western groups whether there is truth or not in their allegations. Neither do they care about the impact of producer countries, such as Malaysia. But for the countries producing timber, it is a matter of survival.

The EC seemed to have carried its campaign too far. ASEAN has no choice but to be on the offensive. At the ASEAN economic ministers' meeting in Bali, the grouping has warned the EC of a likely retaliation. ASEAN cannot just sit back and watch while EC goes ahead with a resolution to ban import of tropical wood from Sarawak. The six-member grouping has resolved that it would not hesistate to boycott EC goods if the ban was imposed.

Last week, the EC Parliament passed a resolution calling on member governments to ban tropical timber imports. This was due to what is perceived as catastrophic—deforestation due to logging activities in the state. Without doubt, the EC has gone too far. The EC should take this warning seriously. Just because ASEAN is a small group compared with the EC, it does not mean that they can be pushed around. ASEAN can boycott EC goods such as dairy products, automobiles, and other [word indistinct] goods. These goods can be imported from countries outside the EC.

To proof that Malaysia has indeed taken sincere conservation and forest management measures, the government has invited many groups to Sarawak to discover the facts for themselves. The latest group was the International Tropical Timber Organization led by Britain's Earl of (Crownbrooke). Lord (Crownbrooke) has expressed satisfaction with the forest conservation measures and gave the state government top marks for its forest management system. But it is all ignored by the EC.

The [words indistinct] forests in all six ASEAN countries accounted for more than 60 percent of their land territories. Most of them have been managed sustainably. In contrast, in some EC countries like Britain, forests account for less than 10 percent of its land territory. For Malaysia and Indonesia, they are two of the world's biggest producers of tropical timber accounting for almost 80 percent of global supply. In fact, these countries in increasingly emphasizing on [word indistinct] tree processing and value added timber products to reduce logging.

Given such a scenario, ASEAN has done the right thing in sounding out the warning to the EC. The time has come for the grouping to cooperate in the spirit of ASEAN to protect the interests of its people. In doing so, it should not bow to external pressures such as that from the EC.

### Singapore

#### Goh Chok Tong To Give Priority to ASEAN

*BK0111090690 Singapore THE SUNDAY TIMES in English 28 Oct 90 p 1*

[By Paul Jacob in Bandung and Ronnie Lim in Bali]

[Text] As regional officials lay the groundwork for an important ASEAN economic ministers' meeting in Bali this week, the visiting First Deputy Prime Minister Goh Chok Tong said in Bandung yesterday that he would give top priority to ASEAN when he becomes Prime Minister next month.

Mr. Goh, who is in the West Java city for an annual game of golf between the Indonesian and Singapore armed forces, told THE SUNDAY TIMES that as Singapore's next head of government, his first official trips abroad would be to the other five member countries, beginning with Indonesia and Malaysia. He said Indonesia was to be first on his list, given President Suharto's stature as the group's senior-most leader by the time Mr. Goh takes over from Prime Minister Lee Kuan Yew next month.

He said he intended to be in Jakarta in early January subject to Mr Suharto's schedule.

He said he would then like to visit Malaysia, reflecting Singapore's special relationship with its two closest neighbours, followed by the other ASEAN countries. "My first priority will be to visit the ASEAN countries and I intend to do so before I pay any visit to other countries," said Mr. Goh, who takes over as Prime Minister on Nov 28. "Our ties with ASEAN are very important and I would certainly want to build on the strong ties which Mr. Lee Kuan Yew has already forged between Singapore and the other leaders."

He said his unofficial visit to Indonesia this time at the invitation of Indonesian Defence and Security Minister Benni Murdani—as will be the case with his upcoming unofficial visit to Brunei—served to underline the importance he attached to ASEAN "even before I take over".

In his planned trip to Brunei, scheduled for Nov 2 and Nov 3, he will call on Sultan Hassanal Bolkiah, who is also Prime Minister and Minister of Defence, and have general discussions with other Cabinet members.

Mr. Goh paid informal visits to Malaysian leaders earlier this year.

In a speech to Parliament in June, Mr. Goh spoke of opening a "new chapter of co-operation" between Singapore and its ASEAN neighbours when he takes over. He had said that changes the world over marked the beginning of a new peace in the world and this called for new attitudes and a new relationship with neighbours.

"We must not be handcuffed by history. We have to break free, and play and work together for a more prosperous ASEAN and a more peaceful world," he said.

Mr. Goh had, at the time of making that speech, suggested the growth triangle concept linking Singapore, Johor and Batam in a web of economic co-operation. It has since been used to moot the idea for a second triangle linking parts of northwest Sumatera, Malaysia and Thailand.

In fact, ASEAN senior officials who met in Bali to prepare the agenda for the Economic Ministers' Meeting starting tomorrow are proposing that the idea of growth triangles be seriously studied as part of the ASEAN character. If the proposal is endorsed by the ministers this week, more growth triangles can be expected to mushroom within ASEAN, one official said in Bali, giving regional economic co-operation a new thrust.

The Singapore delegation to the Bali meeting is being led by Trade and Industry Minister Brig.-Gen. [Brigadier General] Lee Hsien Loong, who arrived yesterday.

The economic ministers meeting this time is expected to prepare for a planned Summit of ASEAN Heads of Government in Singapore later next year. The summit, if finalised, will be Mr. Goh's debut and could well be the beginning of a new intra-ASEAN relationship coinciding with the ending of the Cambodian conflict.

Mr. Goh declined yesterday to outline how he intended to build on the ties which Prime Minister Lee forged with his ASEAN counterparts. But he indicated that he would do so in policy statements on or soon after he assumes the Prime Ministership. He would also have announced the final shape of the Goh Chok Tong Cabinet, and although declining to make any partial announcement here, indicated that he would do so at the time of his trip to Brunei.

Mr. Goh, who arrived here on Friday, was accompanied by Singapore Armed Forces Chief of Defence Forces, Lieutenant-General Winston Choo, and other officials. Mr. Goh and the Singapore team return home today.

## Cambodia

### Bou Thang Pays Visit to Northeastern Provinces

*BK0211012690 Phnom Penh Domestic Service in Cambodian 1200 GMT 1 Nov 90*

["Weekly Roundup of Salient Events" feature—read by announcer]

[Summary] A salient event in the past week was the ceremony to welcome another 12 cuttings of pipal tree from the Indian Government.

A party-state delegation led by Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chairman of the Committee for the Development of the Northeastern Region and of the General Political Department of the Cambodian People's Armed Forces, paid a successful 11-day working visit to various northeastern provinces.

"During the visit in Ratanakiri and Stung Treng Provinces from 14 to 24 October, Comrade Bou Thang, vice chairman of the Council of Ministers, met with and conveyed the best regards from the party and state leaders to cadres, party members, and combatants from the provincial and district offices and the Armed Forces. Comrade Bou Thang also spoke on the developments inside the country and in the international arena and on a number of new targets set forth by the party and state that require all cadres, party members, and combatants

to strive jointly to fulfill their contributions to seek peace and happiness for the people and the motherland."

Comrade Bou Thang also referred to the new situation in the country following the total withdrawal of Vietnamese volunteer troops and called on everyone to strive to get rid of corruption in line with the communique of the party and government.

On behalf of the Committee for the Development of the Northeastern Region, Comrade Bou Thang met with the provincial development committees and visited the construction site of the hydro-electric plant at O Chum, Route 19, and the localities to be developed in the future.

Concerning the military situation in the past week, the three Cambodian reactionary groups continued their adventurous activities and maneuvers even more perfidiously and barbarously. However, their insane activities and maneuvers were duly defeated by our Armed Forces and people. Along the border, the enemies continued to lob shells into some outlying areas adjacent to the northwestern border of the country, such as in Battambang, Banteay Meanchey, and Siem Reap-Oddar Meanchey Provinces.

"As a matter of fact, during the past week, we put out of action 46 enemy soldiers, including 25 killed, five captured, and 16 forced to surrender. We also seized 18 assorted weapons, 10 shells, and a large quantity of war materiel."

## Officials Mark 72d CSFR Founding Anniversary

### Hun Sen Congratulates Premier

*BK3110072290 Phnom Penh SPK in French 0457 GMT 31 Oct 90*

[Text] Phnom Penh 31 Oct (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, sent his greetings to Marian Calfa, prime minister of the Czech and Slovak Federal Republic, on the 72d anniversary of the founding of the CSFR.

The message reads, among other things:

"I am always convinced that the relations of friendship and multiform cooperation between our two countries will further develop for the cause and happiness of our two fraternal peoples.

"I would like to thank the CSFR state and government for the constant support and assistance to the sensible cause of the Cambodian people."

On the same occasion, Hor Namhong, minister of foreign affairs of the State of Cambodia, also sent a greetings message to his Czechoslovak counterpart, Jiri Dienstbier.

### Hor Namhong Sends Message

*BK3110065790 Phnom Penh Domestic Service in Cambodian 1300 GMT 30 Oct 90*

[Text] On the 72d founding anniversary of the Czech and Slovak Federal Republic, Comrade Hor Namhong, foreign minister of the State of Cambodia, addressed a congratulatory message to His Excellency Jiri Dienstbier, foreign minister of the CSFR. The message says in essence:

Please accept my greetings and sincere contratulations on the 72d founding anniversary of the CSFR. I believe our friendship and fruitful bilateral cooperation wil continue to develop for the mutual benefit of the State of Cambodia and the CSFR, the well-being of the two peoples, and peace.

I take this opportunity to thank you for your own contributions to expanding the relations of friendship between the State of Cambodia and the CSFR.

### Heng Samrin Greets President

*BK2910072490 Phnom Penh Domestic Service in Cambodian 0430 GMT 29 Oct 90*

[Text] Comrade Heng Samrin, secretary general of the Kampuchean People's Revolutionary Party Central Committee and chairman of the Council of State of the State of Cambodia, has sent a greetings message to His Excellency Vaclav Havel, president of the Czech and Slovak Federal Republic, on the 72d founding anniversary of the Czech and Slovak state. The message noted:

On the 72d founding anniversary of the Czech and Slovak State, on behalf of the Cambodian Government and people and in my own name, I extend warmest congratulations to you and the people of Czechoslovakia. May the current democratic change in Czechoslovakia bring the well-being to the Czechoslovak people.

I am convinced that our states' bilateral relations and cooperation of mutual benefit will further develop in the interests of our two states and peoples.

May your excellency enjoy good health, happiness, and successes in carrying out your noble tasks.

### Chea Sim Sends Greetings

*BK2910131590 Phnom Penh SPK in French 1108 GMT 29 Oct 90*

[Text] Phnom Penh 29 Oct (SPK)—On the occasion of the 72d anniversary of the founding of the independent Czechoslovak state, Chea Sim, chairman of the National Assembly of the State of Cambodia, sent warm greetings to Alexander Dubcek, chairman of the Czech and Slovak Federal Assembly.

The message said, among other things:

"The founding of the independent Czechoslovak state in October 1918 constitutes an important milestone for the

Czechoslovak people and has worthily raised the position and prestige of the Czechoslovak state in the history of the contemporary epoch.

"We are very pleased to note that the friendly relations between our two countries and peoples continue to develop and that cooperation between our two legislative bodies constitutes a main catalyst for this cause.

"On this solemn occasion, we wish you the best of health and greater successes in the realization of your lofty task for the prosperity of your country."

### VONADK: SRV 'Pinned Down' by UN Document

*BK0211034190 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Nov 90*

[Station commentary: "The World Has Vietnam Pinned Down by the Document of the UN Security Council's Five Permanent Members"]

[Text] The ringleaders of the Hanoi Vietnamese aggressors ordered Vietnamese Foreign Minister Nguyen Co Thach to make the gross remark recently that Vietnam is no longer involved in the Cambodian problem. When Nguyen Co Thach said this, what was the real situation in Cambodia?

The world is clearly aware that even after September 1990, Vietnam continues to hide its aggressor forces in Cambodia. Furthermore, over a million Vietnamese settlers are still in Cambodia. More recently, in one month—from 10 September to 10 October 1990—the Hanoi Vietnamese dispatched 7,720 fresh Vietnamese troops from Vietnam to Cambodia to escalate the war of aggression and continue to occupy Cambodia. Moreover, the Hanoi Vietnamese enemy aggressors tightly control all levels of the Phnom Penh puppet state authorities. In diplomacy, Vietnam is ordering its puppets and lackeys in Phnom Penh to oppose continually the establishment of the Supreme National Council with Samdech Norodom Sihanouk as chairman in accordance with the Jakarta joint statement and the basic document of the UN Security Council's five permanent members.

These facts are enough to clearly confirm that the Hanoi Vietnamese continue to commit aggression and occupy Cambodia. This is why the overwhelming majority of the international community, including the ASEAN countries and the UN Security Council's five permanent members, have successively issued documents calling for the dispatch of a UN peacekeeping force to Cambodia to carry out comprehensive monitoring in the country, in particular to oversee the withdrawal of all types of Vietnamese forces from Cambodia. Thus, no matter how hard the Hanoi Vietnamese try to extricate themselves, they cannot avoid the basic document of the UN Security Council's five permanent members.

### Three Enemy Boats 'Sunk' in Kompong Cham

*BK0211055790 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Nov 90*

[Excerpt] On 23 October, our people and compatriot militiamen and village guerrillas in Thmei village, Roka Koy Commune, cooperated in an ambush to sink boats carrying military materiel of the Vietnamese enemy aggressors and the puppets, traitors to the nation and Vietnam's puppets and lackeys, west of Roka Koy Monastery in Roka Koy Commune, Kang Meas District, Kompong Cham Province.

When three enemy boats carrying military materiel came up along the Mekong River and into the ambush, our compatriots opened fire. Two boats were sunk, and four Vietnamese enemy aggressors in the boats were killed; all the military materiel in the two boats went down to the bottom of the river.

Another Vietnamese enemy boat tried to escape down the river but was also fired on and sunk by our people and compatriot militiamen. We killed three Vietnamese enemy soldiers; the military materiel in the boat also sunk to the bottom of the river. [passage omitted]

## Indonesia

### Alatas Outlines Aims of Upcoming Cambodia Talks

*BK0111144590 Hong Kong AFP in English 1422 GMT 1 Nov 90*

[Text] Jakarta, Nov 1 (AFP)—An international meeting will be held here next week to draft an overall peace agreement to end the 12-year Cambodian war, Indonesian Foreign Minister Ali Alatas said Thursday.

The meeting between senior officials from 12 countries is aimed to revive the Paris International Conference on Cambodia, Mr. Alatas said on his return from Paris, where he met Monday with his French counterpart Roland Dumas. A second working session, broadened to include the rival Cambodian parties, is scheduled for late November in Paris, he said.

The Jakarta meeting, expected to begin November 9, would draft an overall peace agreement based on a framework drawn up by the five permanent members of the United Nations Security Council, Mr. Alatas said. He said it would involve the five—the United States, the Soviet Union, France, Britain and China—along with host Indonesia and a representative of U.N. Secretary General Javier Perez de Cuellar. Also invited were the chairmen and co-chairmen of three committees set up at the Paris conference: India, Canada, Malaysia, Laos, Australia and Japan, he said.

The first Paris conference on Cambodia, co-chaired by Indonesia and France and involving 18 nations, broke down in September last year over the question of a power-sharing arrangement.

Mr. Alatas said the Jakarta meeting would be followed by a second-phase meeting of senior officials in Paris around November 21, this time involving the Cambodian Supreme National Council (SNC) and all the other participants in the first Paris conference.

The SNC, formed at a meeting in Jakarta in September as part of the U.N.-brokered peace plan, comprises six representatives of the Phnom Penh government and two each from the three resistance factions. The council, which was to represent Cambodian sovereignty in the run up to U.N.-supervised elections, has failed to agree on the issue of its leadership.

The second-phase meeting would discuss the draft overall agreement and set a date for resumption of the ministerial-level Paris conference, Mr. Alatas said. Prior to the second phase, the Indonesian and French ministers will hold a meeting with the members of the SNC, primarily to present the draft overall agreement but also to offer to mediate if the SNC's leadership dispute was still not resolved. He stressed that the SNC's consent was essential to any settlement, so its internal disputes should first be resolved.

Asked about the prospect of a final agreement, Mr. Alatas said: "On the whole we're hopeful. We will now able to move towards an overall agreement provided that the parties to the conflict show good will and political determination."

### Alatas Says Uruguay Round at 'Critical Juncture'

*BK0111164890 Jakarta Domestic Service in Indonesian 1500 GMT 1 Nov 90*

[Text] Foreign Minister Ali Alatas says the present Uruguay Round of [multilateral trade] talks is at a critical juncture due to a number of unresolved basic international trade problems. Speaking at Sukarno-Hatta Airport this evening upon arrival from France and Germany, Ali Alatas said the unresolved basic problems would greatly harm developing countries.

Ali Alatas, who attended a meeting of a special group discussing international trade in Frankfurt, Germany, said the present unresolved problems were the issues of openness and trade protectionism. In this connection, as a member of [words indistinct], Ali Alatas called on developed countries to act quickly to make the Uruguay round of talks scheduled for the end of December beneficial to international trade.

### Governor Terms East Timor Policy 'Failure'

*BK3110104590 Hong Kong AFP in English 0355 GMT 31 Oct 90*

[Text] Dili, East Timor, Oct 31 (AFP)—In the wake of anti-Indonesian protests, East Timor's governor does not mince his words: Jakarta's policy on the former Portuguese colony is a failure and must change if the people are to regain their dignity. "We have to change. We are wrong and they (the people) do wrong because we did wrong," Governor Mario Viegas Carrascelao told AGENCE FRANCE-PRESSE.

Mr. Carrascalao was appointed in 1981 as head the government of the eastern part of Timor Island, just north of Australia. In 1976 Indonesia annexed the territory, where the United Nations still recognises Portugal to be the administering power.

The governor said he blamed "the government and the Armed Forces" for a poor approach to the local people.

Far from advocating autonomy or independence for East Timor, Mr. Carrascalao stressed one point: educating the young.

"I don't think that a special status will solve the problem," Mr. Carrascalao said. "I say, please give priority to human development."

Indonesia has built roads and schools here, he said, but education did not lead to jobs. "We were not able to create enough jobs (and) cannot offer jobs to people coming out of school. Due to that they are very frustrated," he said, adding: "Jakarta doesn't know our needs."

There have been several anti-Indonesian demonstrations this year, mostly coinciding with visits by foreign dignitaries or religious festivals in predominantly Roman Catholic East Timor. Two protests this month in secondary schools led to an unprecedented wave of student arrests and diplomats returning last week from an official visit said they were stunned by the tense atmosphere in the capital.

Mr. Carrascalao studied for 13 years in Lisbon and entered politics before Indonesia invaded the territory in December 1975 as the Portuguese withdrew.

Restrictions on travel to East Timor were lifted in January 1989 as Jakarta declared the area "open," but the governor said he regretted that the move had not brought the expected results.

"The opening has not brought employment for the Timorese and investments have been slow in coming," he said, adding that bureaucracy and corruption were also blocking development in East Timor. "It is necessary to eliminate bureaucracy and corruption. Five to 15 per cent of of government investments don't reach the target," Mr. Carrascalao said without elaborating.

Up to 200,000 people, a third of the population, are believed to have died in East Timor between 1974 and 1980, first in the war against pro-independence guerrillas following [word indistinct] invasion and famine.

Mr. Carrascalao, whose powers are apparently limited, also said that trade in the area should be carried out by the local people. "Timorese were not part of the trading business during the Portuguese time and now people from outside do [word indistinct]," he said, referring to a influx of outside from elsewhere in Indonesia.

He said the opening of East Timor had benefited the army, which maintains considerable forces in the territory, businessmen from Indonesia's main island of Java and Bugis sea traders from [words indistinct], formerly known as Makassar, in southern Sulawesi.

"Timorese need jobs," the governor said. "They should live with dignity first."

According to church sources, 75 per cent of jobs in East Timor are taken by outsiders. In Dili, where 120,000 people live, an influx of Javanese has been seen in recent months. Escaping overpopulation on their own island, the new arrivals have set up small stalls in neighborhoods where officials and military officers sent by Jakarta have their residences.

### Army Seminar Said Not Linked to Elections

*BK3010103690 Jakarta ANTARA in English 0811 GMT 30 Oct 90*

[Text] Jakarta, Oct 30 (ANTARA)—Armed Forces (ABRI) spokesman Brigadier General Nurhadi Purwosaputro said Tuesday the Army Seminar 1990 to be held in Bandung early December would have no connection with the general elections in 1992 and the presidential succession in 1993 as suggested by several foreign publications lately.

The Army Seminar 1990 will discuss the problem of human resource development in the second 25-year long-term national development (1993-2018), the ABRI spokesman said in reply to ANTARA's question. From that topic, he said, it could be seen that the upcoming Army seminar will not discuss any short-term problems.

The seminar, he added, is part of a series of seminars organized by ABRI for the same purpose. ABRI, in this case the ABRI headquarters and the Defence and Security Ministry, in anticipating the second 25-year long-term national development wants to contribute ideas as input materials, Brig. Gen. Nurhadi explained. For that purpose, seminars have and will be held to gather ideas from all stratas of society, from experts and intellectuals, he said.

In this series, the first seminar was held from March 13-15 with the topic maritime development in the second 25-year long-term national development. This seminar was staged by the Defence and Security Ministry with the Navy as the organizing agency. The second seminar with the topic maritime development in eastern Indonesia, also initiated by the Defence and Security Ministry, was again conducted by the Navy from June 25-30. Each of these two seminars discussed nine working papers. The second seminar was followed by a workshop discussing the same subject.

Viewed from its sequence in the series, according to Nurhadi, the next Army seminar will be the third by presenting human resource as the main topic. In preparation for the seminar, ABRI has organized preliminary seminars I-IV at the Army headquarters, which ended last August. The preliminary seminars were attended by a number of experts including government's officials and prominent figures, the press and intellectuals. Hopefuly, there will be another seminar organized by the Armed Forces next year, he said.

All the efforts referred to the second 25-year long-term development program as a contribution and a quick response of the Armed Forces towards the country's interests in achieving the national goals, he added. It means that all the seminars will not discuss short-term matters, he explained.

In the history of the Army, the coming seminar will be the fourth it has organized since 1965.

The second Army seminar in 1966 yielded a number of important decisions considered as the basic pattern of the first 25-year long-term national development plan (1968-1983). The third seminar was held in 1972.

## Laos

### Phoumi Vongvichit Receives Thailand's Chatchai

*BK0211110790 Vientiane KPL in English 0931 GMT 2 Nov 90*

[Text] Vientiane, Nov 2 (KPL)—The acting president of the Lao People's Democratic Republic, Phoumi Vongvichit, and his wife, Mrs. Khamsouk Vongvichit, on November 2 received here the Thai prime minister, General Chatchai Chunhawan, and his wife, Lady Bunruan Chunhawan, on their participation in the celebration of the annual festival of That Louang Stupa. On this occasion, the acting president expressed thanks to the Thai prime minister for his participation and asked Gen Chatchai Chunhawan to convey his best wishes to his and her majesties the king and the queen of the Kingdom of Thailand, especially HRH [Her Royal Highness] Princess Maha Chakkri Sirinthon who visited Laos early this year.

### Kaysone Phomvihan Receives Kim Il-song Message

*BK0111061290 Vientiane Domestic Service in Lao 0000 GMT 1 Nov 90*

[Text] On 17 October, Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, sent a reply message of thanks to Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee, Vientiane. The message reads as follows:

I would like to express profound thanks to you, comrade, for the warm greetings that you have conveyed to me on the occasion of the 45th founding anniversary of the Workers' Party of Korea. I am convinced the friendship

relations and cooperation between the parties and peoples of our two countries will be further strengthened and developed through the common struggle in the interest of the socialist cause.

On this occasion, I wholeheartedly wish you, comrade, ever greater achievements in carrying out your responsible tasks.

### Leaders Greet 72d CSFR Founding Anniversary

*BK2910125790 Vientiane KPL in English 0916 GMT 29 Oct 90*

[Text] Vientiane, Oct 29 (KPL)—The Lao leaders, on October 26 sent telegrams of greetings to the leaders of the Czech and Slovak Federal Republic on the occasion of the 72nd national day of that country.

The telegrams signed by His Excellency [H.E.] Phoumi Vongvichit, acting president of the republic, H.E. Nouhak Phoumsavan, president of the Supreme People's Assembly, H.E. Kaysone Phomvihan, chairman of the Council of Ministers, and H.E. Phoun Sipaseut, minister of foreign affairs of the Lao People's Democratic Republic, was addressed to Vaclav Havel, president of the CSRF, H.E. Alexander Dubcek, president of the assembly, Dr. Marian Calfa, prime minister, and H.E. Jiri Dienstbier, foreign minister of the CSFR respectively.

The telegrams wished the friendly relations and the cooperation between the two countries developed and is consolidated in the interest of the two peoples, in the cause of peace and world security.

### Leaders Receive Outgoing Burmese Envoy 29 Oct

*BK3010065390 Vientiane Domestic Service in Lao 1200 GMT 29 Oct 90*

[Text] In Vientiane today, Phoumi Vongvichit, acting president; Nouhak Phoumsavan, chairman of the Supreme People's Assembly; and Phoun Sipaseut, vice chairman of the Council of Ministers and foreign affairs minister, separately received His Excellency U Aye Kyaw, ambassador extraordinary and plenipotentiary of the Socialist Republic of Myanmar [Burma] to Laos, who bade them farewell after ending his term in Laos. Mr. Kyaw has served as Myanmar ambassador to Laos since 21 February 1989.

### Ceremony Held To Repatriate Burmese Prisoners

*BK3010044890 Vientiane Domestic Service in Lao 1200 GMT 29 Oct 90*

[Text] On 26 October, Lao authorities handed over to Myanmar [Burma] counterparts 14 Myanmar convicts who were handed jail terms by the Supreme People's Court on charges of producing heroin in Oudomsai Province two years ago in 1988.

The prisoners handing-over ceremony was conducted at the (?Mekong River border pass) on the Lao-Myanmar border in the Golden Triangle area, which links Ban Meuang Mom and Meuang Ton Pheung villages on the Lao side of Bokeo Province and Ban Koung village, Thachilek District, Shan State in Myanmar. The ceremony was carried out in the presence of representatives of the Interior Ministry, the Consular Department of the Foreign Affairs Ministry, and the Public Prosecutor Office of Vientiane Municipality from the Lao side. On the Myanmar side, there were representatives of the Myanmar Embassy in Laos, the Immigration Office, and the local military garrison. There were also a number of local officials from both sides.

The 14 Myanmar convicts have been detained in Laos since early June 1988. The Supreme People's Court of Laos sentenced 11 of them to two-year prison terms, namely Mr. (Aisa Sampom), 40; Mr. (Akkoung Kula), 20; Mr. (Archin), 27; Mr. (Atoi), 30; Mr. (Ler Sing Houa), 26; Mr. (Tuan Phiasai), 31; Mr. (Ajet Auang Kin), 25; Mr. (A-san), 39; Mr. (Avo Saisanbut), 20; Mr. Akin Long Yin), 27; and Mr. (Ailao Ailong), 22; two of them to six years' imprisonment, namely Mr. Afou Monteng), 25; and Mr. (Lao Su Yangpong), 25; and one of them, Mr. (Antoun I-Than) to eight years' imprisonment.

### New Ambassador From Guinea Visits Leaders

*BK2910131490 Vientiane KPL in English 0858 GMT 29 Oct 90*

[Text] Vientiane, Oct 29 (KPL)—The new ambassador extraordinary and plenipotentiary of the Republic of Guinea to Laos Mr. Abou Camara, on October 27, paid courtesy visits to Mr. Nouhak Phoumsavan, president of the Supreme People's Assembly, and Mr. Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs.

The discussion dealt on issues to consolidate the relations between Laos and Guinea.

Mr. Abou Camara, on October 26, presented his letter of credentials to the Lao acting president. He has his residency in Beijing, China.

## Philippines

### Details of Another Coup d'Etat Plot Disclosed

*HK0211075990 Manila DIYARYO FILIPINO in Tagalog 2 Nov 90 p 8*

[By J.A.]

[Text] If labor and transport groups had not pushed through with their planned Welgang Bayan [nationwide strike] last 24 October, there could have been another attempted coup d'etat launched by members of the Reform the Armed Forces Movement [RAM].

It was learned from an intelligence official of the Capital Regional Command (Capcom), who wished to maintain his anonymity, that the Welgang Bayan launched by the Kilusang Mayo Uno [KMU—1 May Movement] and PISTON [United Organization of Drivers Nationwide] deterred what could have been the strongest attempt to topple the Aquino administration.

The official disclosed that the three military units—Philippine Army (PA), Philippine Navy (PN) and Philippine Air Force [PAF] are ready and waiting for the signal, a sudden brownout throughout Manila, which would signify the start of a coup d'etat.

The report added the latest group of rebels had a membership of 5,000 supported by a strong group slated to arrive once the attempted coup started. The military is unprepared for this plan, which in all probability is expected to oust Aquino from office.

Under the planned coup d'etat, each unit of the military would be assigned to lay siege on the three major branches of government, burn military vehicles, particularly tanks and trucks, sieze Villamor and Nichols Air Base, and raid armories.

It was also learned that after seizing the three major branches of government, rebels are to conduct widespread bombings on government offices and lastly to launch an assault.

However, the official did not disclose which particular military faction would launch the attempt and did not confirm alleged reports that the National Democratic Front [NDF], which has supposedly forged an alliance to topple the current administration, would extend their support to the coup d'etat.

The official further added that military rebels are also slated to attack other offices including the Central Bank (CB), communications offices in Quezon City, the legislative building, Philippine Long Distance Telephone Company (PLDT) communication units, Manila Electric Company (Meralco), the airport and other leading industrial areas in Metro Manila.

President Aquino has survived seven coup attempts including the December rebellion which was estimated to have caused the greatest damage and the death of 113 persons.

In the recent Welgang Bayan last 24 October, there were a total of seven fatalities, and 93 persons were arrested including PISTON President Medardo Roda and nine other suspected members of the Alex Boncayao Brigade (ABB).

Workers launched the strike order to press for their 38 [Philippine] peso across-the-board wage increase demand.

## Ileto Assures No Coup During Aquino's Trip

*HK0211061390 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 2 Nov 90*

[Text] National Security Adviser Rafael Ileto assured President Aquino can go ahead with her scheduled 11 November trip to Japan without having to fear another coup. He made this statement after claiming military rebels are not capable of launching another coup after their failed and short-lived mutiny staged by renegade Colonel Alexander Noble on 3 October in Butuan and Cagayan de Oro Cities. Ileto ensured the president's security in her trip to Tokyo where she will attend the enthronement of Japanese Prince Akihito. He added she need not worry about trouble in the country.

## Former President Macapagal Talks With Rebels

*HK0211035390 Manila THE MANILA CHRONICLE in English 2 Nov 90 p 7*

[Text] Former President Diosdado Macapagal disclosed yesterday he had been holding discreet talks with leaders of the armed Left and Right in a bid to mediate peace between the government and all armed groups. Macapagal indicated President Aquino has knowledge of the talks, since she has directed members of the Cabinet committee on security to discuss with a multisectoral group of Church-backed peace advocates the possibility of new peace talks with the Communist rebels.

Macapagal said the secret talks are being initiated by the Citizens' Crusade for Democracy and Peace with Justice (CCDPJ), a group he and former Supreme Court Justice Cecilia Munoz Palma and Hadji Abdullah Camlian formed in the aftermath of the failed December coup.

"On the part of CCDPJ, we are...talking directly with the rebels," said Macapagal. He said the CCDPJ was not only working for a ceasefire, but a "comprehensive peace settlement."

## Muslim Rebels Accused of Marawi City Killings

*HK3110120190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 Oct 90*

[By Eloi Aquino]

[Text] The perpetrators of the crime in Marawi City are believed to be members of the Moro National Liberation Front [MNLF] led by a certain Commander Cobra who kidnapped eight people in Marawi City last week.

Based on Colonel Enrile's statement, military operatives discovered the eight victims' bodies five kilometers away from Guimba, Marawi at nine o'clock this morning. An extensive pursuit operation has already been launched by elements of the 57th Infantry Battalion headed by Major Grabe and under the overall supervision of Brigadier General Antonio Nane, chief of Task Force Diamond.

It is recalled that the victims, five of whom were National Power Corporation employees and three of

whom were children aged between 12 to 15 years, were hostages of the rebel Muslims headed by Commander Cobra last Tuesday [23 October]. One of the rebels' demands was the suspension of the construction of the hydroelectric dam in Marawi, a National Power Corporation project. This project was opposed by fishermen and farmers in the area as it would allegedly lead to the destruction of their farms.

Earlier, Cobra's group threatened to kill all its hostages in the event the military attempted to rescue them and continue their operation. Earlier today, military elements saw the victims' bodies and a military pursuit operation has been launched to pursue the assailants.

### Police Say Palawan Muslim Rebels 'Busted'

*HK3110035590 Manila MANILA BULLETIN in English 31 Oct 90 pp 1, 24*

[By Owen Masaganda]

[Text] Puerto Princesa City, Palawan—The Basilan-based revolutionary committee of the Moro National Liberation Front (MNLF) in the island province of Palawan was believed busted by the Constabulary after their leaders were either killed, captured, or surrendered here the other day.

Lt. Col. [Lieutenant Colonel] Nestorio Gualberto, Palawan PC-INP [Philippine Constabulary-Integrated National Police] commander, reported to Maj. Gen. [Major General] Cesar Nazareno, PC-INP chief, and Brig. Gen [Brigadier General] Evaristo Carino, Recom [Regional Command] 4 PC-INP commander, that Jamil Daimon, commander of Basilan revolutionary committee, had sent a 15-man team to expand MNLF operations to Palawan. At the head of the team was Hadji Joel Daimon, Jamil's brother.

The team, however, was immediately placed under surveillanc by Maj. Jose Balane, 264th PC company commander, based in Brookes Point.

Daimon was arrested in Brookes Points while contacting fellow Muslims and pretending to be a businessman, Gualberto said. Daimon, who was armed with a .38 caliber revolver, admitted the Palawan operation and revealed the names of his men who were subsequently arrested.

Gualberto said that the Daimon group had a complete set of officers for personnel, intelligence, and finance but no combat operatives.

One of Daimon's men, Romeo Padong Laping, surrendered to Balane after failing in his recruitment mission. Clay Abdullah, another member, was killed in a clash with the PC team of M/Sgt. [Master Sergeant] Jessie Ustarez at barangay Ipilan, Brookes Point. His companions, some of whom were wounded, escaped. Seized from Abdullah were an Armalite rifle and an M-203 grenade launcher.

Carino ordered Gualberto to place the shoreline towns of Southern Palawan facing Zamboanga del Sur and Norte on red alert in anticipation of more MNLF landings.

### Insurgents Use Tribes in Antigovernment Drive

*HK3110034990 Manila MANILA BULLETIN in English 31 Oct 90 p 19*

[By Juan B. Dait Jr]

[Text] Members of the country's cultural communities, especially the economically depressed groups living in the hinterlands, are being used by insurgents to promote their campaign against the government.

This was reported to the Peace Commission by officers of the Tribal Communities Association of the Philippines (TRICAP), a national organization of tribal leaders headed by Datu Joseph Sibug, a 1978 Ten Oustanding Young Men (TOYM) awardee for his work for the development of cultural communities in Mindanao.

In a conference with Peace Commission officials headed by Executive Director Lulu Teodoro, the TRICAP asked the commission to look into the reasons why several native highland villages have defied the government to join insurgency groups.

The tribal leaders cited the case of the Higaonons of Agusan del Sur who supported and offered sanctuary to renegade Col. [Colonel] Alexander Noble.

Bae Bungcaon, a Higaonon woman leader, told the Peace Commission that a great number of her tribal kinsfolk turned to Noble because of military abuses which were never redressed by the government. Bungcaon also said that officials of the Department of Environment and Natural Resources in her province unreasonably prohibited them from salvaging and gathering logs which were discarded or left by loggers in their ancestral forests.

Datu Sibug explained that one reason why the Higaonons and some Manobo and Bagobo groups joined Noble was the fact that the Mindanao highlanders were victims of years of government neglect. Sibug, a Manobo, pointed out that the government failed to initiate viable livelihood projects in most of the areas occupied by non-Muslim ethnic groups.

He revealed that in barangay Salug in the municipality of Esperanza, Agusan del Sur, a supposed service center of the Office for Southern Cultural Communities (OSCC) remains a "ghost center" up to now. Salug was the hideout and sanctuary of Noble. Sibug said that on record, a service center of the OSCC exists, with a full complement of personnel, but no employee actually reports there.

## Ramos Clarifies Arrest of KMU Chairman

*HK0111060390 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 1 Nov 90*

[Text] Defense Secretary Fidel Ramos clarified that the arrest of KMU [1 May Movement] chairman Crispin Beltran is based on the charge submitted by the Philippine Constabulary-Integrated National Police [PC-INP] in Toledo City several months ago. At the same time he denied allegations that Beltran was arrested for his involvement in violent incidents in the recent nationwide strike. The hearing for Beltran and 10 others charged with illegal association will be on 27 November in Toledo City. PC-INP investigations show that the KMU is a front of the Communist Party of the Philippines-New People's Army, the aim of which is to use the labor sector to sabotage the economy and cause turmoil in the country.

## Military Intelligence Investigates KMU Funding

*HK0211035790 Manila THE MANILA CHRONICLE in English 2 Nov 90 p 7*

[By staff member Manny Mogato]

[Text] Military intelligence agents looking into the "illegal" activities of the labor group Kilusang Mayo Uno (KMU) [1 May Movement] have also started monitoring the funding support it gets from foreign solidarity groups.

A Camp Crame official said the KMU has been getting millions of pesos in funds from trade unions in the United States, Australia and the Soviet Union. The funds, according to a military intelligence report, were channeled by the KMU to the underground movement to buy firearms, ammunition and other supplies.

An intelligence brief showed to the CHRONICLE indicated the KMU's links with the leftist trade unions in the United States and with the Australia-Asia Workers Link (AAWL) which has 27 Australian affiliates. The intelligence report outlined the financial assistance given by AAWL to KMU, which also went to training and educational tours. In addition, radical labor groups in the U.S. sponsored trips of KMU leaders and were also regularly contributing funds to the union.

But the military intelligence agents were particularly concerned over the connections of the KMU with socialist countries like the Soviet Union. "The alleged Soviet logistical and financial support to trade union strikes including those instigated by KMU has serious implications," the intelligence report said. "This should be monitored more closely in view of reports that the Soviet Union is and has been providing logistical and financial support to trade union strikes, including those instigated by the KMU."

Defense Secretary Fidel V. Ramos has asked the military and police to gather evidence against KMU's illegal activities to firm up criminal charges against KMU leaders. The KMU was blamed for the violent Welgang Bayan [nationwide strike] last Oct. 24 which left four people killed and 24 vehicles burned. The union's head, Crispin Beltran, was subsequently arrested.

"The capacity with which workers join strikes despite the loss of income and the risk of losing their jobs can only moan that the workers are counting on some form of financial support," the intelligence report said. They theorized that some amount of money donated by foreign non-government organizations (NGOs) and other solidarity labor groups was used to sustain the Welgang Bayan.

KMU's links with Moscow were reportedly reinforced by a 1986 visit to Manila by some Moscow-based members of the World Federation of Trade Union (WFTU). The WFTU was impressed with KMU's cohesive and well-directed efforts, a letter from the Soviet Embassy's First Secretary Zacuri Tsikolin to Aida Lava-Dizon in May 1987 said. "KMU is worthy of increased support from the Soviet government, and other peace-loving and anti-imperialist nations," the letter to Dizon said.

## Participants in Mutiny 'Eligible for Amnesty'

*HK0211034390 Manila BUSINESS WORLD in English 2 Nov 90 p 8*

[By Allan M. Refuerzo]

[Text] Military rebels who were involved in the uprising led by renegade Col. [Colonel] Alexander Noble in Northern Mindanao last month are eligible for amnesty under the National Reconciliation and Development Program. This was the advice of Defense Secretary [Sec.] Fidel Ramos to the chief of staff of the Armed Forces of the Philippines (AFP) as contained in the former's memorandum dated October 30, 1990.

In his letter to AFP chief Gen. [General] Renato de Villa, Sec. Ramos stated that all members of the AFP, as well as ex-military personnel and Citizens Armed Force Geographical Unit militiamen who took part in the Mindanao uprising are included in the reconciliation program.

Mr. Ramos cited Executive Order [EO] 350, series of 1989 together with the clarificatory guidelines enumerated under Presidential Memorandum Circular 105 for the granting of amnesty to the rebel soldiers pending the issuance by President Corazon Aquino of a proclamation that will eventually be enacted into law with the concurrence of Congress.

### EO 350

EO 350, dated March 13, 1989, provides that, "Any person who has returned of his own free will to the fold of the law after February 29, 1988 and has not been in the custody of or charged by, or undergoing investigations by, the authorities of the government xxx may express his desire for amnesty for any of the crimes or

offenses xxx which he may have committed in furtherance of his political belief and not from purely personal motives."

The crimes and offenses covered thereunder include treason, sedition, rebellion or insurrection and other similar illegal acts inherent to the commission of such.

**Processing**

In the same memorandum, Sec. Ramos explained that all amnesty manifestation aplications may be forwarded to the AFP Civilian Relations Office for processing and vertification by the AFP Reconciliation Committee. This committee is composed of the chiefs of the AFP Civil Relations Service, the Judge Advocate General's Office and the AFP Intelligence Service.

Thereafter, Mr Ramos instructed that the approved manifestations for amnesty shall be forwarded by the AFP and the Department of National Defense to the National Reconciliation and Development Secretariat for appropriate action.

## NPA Rebels Gun-Smuggling Operations Intensify

*HK0211035590 Manila THE MANILA CHRONICLE in English 2 Nov 90 p 6*

[By staff member Noli Cabantug]

[Text] Gun Smuggling operations of the insurgents rose by 14% this year as indicated by the total number of high-powered firearms in the hands of the New People's Army [NPA], a Camp Aguinaldo official said yesterday.

The source did not cite figures but said that based on the Armed Force's military report for the third quarter of this year, the NPA rebels acquired a substantial number of rifles since the beginning of the year. He said the increase in the rebel armaments was gleaned from the reports of the six major military area commanders indicating that in their respective areas, the dissidents were "adequately armed" compared to previous years. The source added that the rebels could not have boosted their arsenals from arms confiscation alone but through smuggling because the so-called firearms exchange ratio is 1.36 to 1.00 in favor of the government.

He said the communists might have successfully spirited firearms in trickles through the coastal areas into the country under their elaborate smuggling scheme codenamed "November Yankee". The rebel project, details of which are already known to the military, includes efforts to bring in huge quantities of sophisticated weapons from foreign countries.

The plan to smuggle the rifles in bulk was believed modified by the rebels following discovery of the project, the source said. Several arm shipments, which the military said were intended for the communist rebels, have been intercepted especially along the coasts of eastern and western Luzon some months ago. The shipments were confiscated by the military.

Arms smuggling, this time allegedly perpetrated by Muslim secessionist groups in Mindanao, have been reported in Sulu Tawi-Tawi and Zamboanga, the so-called backdoor of the country.

## Official Says Communist Rebels Burn More Buses

*HK0211111190 Quezon City DZBB Radyo Bisig Bayan in Tagalog 1000 GMT 2 Nov 90*

[Text] Constabulary chief Major General Cesar Nazareno has reported continuing incidents of bus burnings by communist rebels. General Nazareno reported the burning of a (Galem) bus liner, a passenger bus, two trailer trucks, and two panel trucks in separate attacks conducted in Cagayan de Oro and Davao del Norte. Major General Nazareno said some 20 New People's Army members attempted to burn a small passenger bus in Moncayo, Davao del Norte; they were unsuccessful when stopped by two soldiers aboard the bus. The two soldiers, identified as Private First Class Sumaya and Private First Class Matimute, were injured when they fought with the rebels.

## 'No Negotiations' With Rebels for Captives

*HK0211124790 Quezon City Radyo ng Bayan in Tagalog 1210 GMT 2 Nov 90*

[Text] The military stressed that there would be no negotiations with rebels holding captive four soldiers in the Bondoc Peninsula. According to Southern Luzon Command [Solcom] chief Federico Ruiz, it is the duty and responsibility of every soldier to fight against the enemy and defend himself. Ruiz said they would not object to any decision made by the soldiers' families should they wish to negotiate for the captives' release. The captives were identified as Private First Class Edgardo Orzola, Sergeant Roel Labayen, Constable Second Class Nestor Batucane, and Private First Class Felix Hernandez.

## Ramos Orders Additional Security for Napocor

*HK0211133190 Manila Radio Veritas in Tagalog 1300 GMT 2 Nov 90*

[By Radio Veritas Unit 7 from Camp Aguinaldo]

[Excerpts] Yesterday Defense Secretary Fidel Ramos ordered the military and police to give adequate security to the facilities personnel of the National Power Corporation or Napocor in Marawi City in connection with the recent kidnap-slaying of five of its personnel. In the directive, Ramos ordered Armed Forces of the Philippines chief of staff General Renato de Villa to capture the criminals who killed the five Napocor employees and three other male youths. The eight were reportedly kidnapped by a group of bandits headed by a certain Abdul (Taid), alias Commander Cobra, last Tuesday. Their bodies were then found in a thickly forested area in Barangay Guimba, Marawi. The eight were found tied with gunshot wounds in the head. [passage omitted]

Prior to this, President Aquino had ordered De Villa to ask the military to do everything it could to capture the criminals and to protect Napocor facilities and its personnel.

### Meeting Reviews Restricted Nationals List

*HK0211034590 Manila BUSINESS WORLD in English 2 Nov 90 p 8*

[Text] The waning of the Cold War and the rapidly changing global picture have forced a Philippine reevaluation of which nationalities it will be allowing in.

At an interagency meeting last week, which included the Departments of Foreign Affairs, Justice, Trade and Industry and the Bureau of Immigration, it was agreed that, owing to the end of the superpower conflict, the Soviets are now off the restricted list. Chinese from the People's Republic are also to be allowed in, but for largely diplomatic considerations.

Taiwanese, whose Government the country does not officially recognize, freely come and go but up to now visitors from mainland China have been subjected to tedious security processing.

After recognition of the State of Palestine recently, and the establishment of its embassy here, Palestinians were stricken off the blacklist. This is largely seen as a gesture to obtain Islamic countries' goodwill in regard to the Muslim secessionist issue. The lifting of restrictions on Libyans and Iranians would also fall under this catetgory with oil shipments from the latter an additional consideration.

The Philippines now will restrict only the entry of nationals from North Korea, Cambodia and South Africa.

### Manglapus: No Agreement in Next Bases Talks

*HK0111060790 Manila BUSINESS WORLD in English 1 Nov 90 p 1*

[By reporter Jose G. Ebro]

[Text] It would be premature to see an agreement result from the second round of Philippine-American Cooperation Talks, [PACT] Foreign Affairs Secretary Raul Manglapus said yesterday.

There is expectation that the talks will take place on the week of November 5 as President Aquino had indicated these would happen before her departure for Tokyo on Nov. 11. Remaining noncommittal on a specific date, Mr Manglapus remarked: "Well, President Aquino knows what she's talking about."

"I don't foresee that an agreement will take place, not in this round," Mr Manglapus said. "We are not anywhere near an agreement. We have not agreed on anything formally, although there are certain understandings. What we have said is that we are ready to entertain suggestions over the use of Crow Valley on a commercial basis. We also said that we would be willing to listen to their ideas about Subic," he said.

Mr Manglapus refused to be tied down to a January deadline for the PACT. "The time frame is important because of the September 16, 1991 date. We hope to finish in time so that there will be no scrambling for arrangements," he said.

However, it was "possible," the foreign secretary said, that the talks on the broad framework treaty, which would include basing arrangements, would not be concluded by January next year.

### Japanese Ambassador Arrives, Speaks on Ties

*OW0211081790 Tokyo KYODO in English 0659 GMT 02 Nov 90*

[Text] Manila, Nov. 2 KYODO—The new Japanese envoy to the Philippines, Toshio Goto, pledged on his arrival here Friday to devote his time to helping the country attain full democracy and economic prosperity.

Goto said he is "profoundly impressed by the untiring efforts of the Filipino people, under President Corazon Aquino, to overcome" the country's difficulties. "I will devote myself to Japan's strong assistance to your efforts to build a democratic and prosperous nation," said Goto, 61, who was formerly posted in Yugoslavia. He is replacing Ambassador Tsuneo Tanaka, who is now in Mexico.

Goto said he will make his "best efforts to further consolidate friendship and cooperative relations" between Manila and Tokyo.

Japan is the Philippines' biggest source of official development aid and Japanese investors have consistently topped the list of investors in the country.

The ambassador, accompanied by his wife, Mieko, was met at the airport by senior Japanese and Filipino diplomats. He will present his credentials to Aquino on Wednesday at the Malacanang Presidential Palace.

Aquino will fly to Japan on November 11 to attend the enthronement ceremony of Emperor Akihito the following day.

### Aquino Says No Devaluation, Just Depreciation

*HK0211093190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Nov 90*

[By Dick Sinchongco from Malacanang]

[Text] President Corazon Aquino gave the assurance that no peso devaluation was curently taking place in the country. In a press statement by President Aquino, it is stated that the current peso is on a floating and not a fixed rate, that's why the Central Bank adjustment which took place is a depreciation and not a devaluation.

Aside from this, the president also stated that the Central Bank was convinced that it could defend the current rate of one U.S. dollar to twenty-eight pesos. At present, the president said that there were no implications of another

devaluation. She further stressed that the adjustment would strengthen the country's export earnings and remittances of overseas contract workers and would entice more tourists to the country.

### Value of Peso Devalued to 28 per Dollar

*HK0111061390 Manila MANILA CHRONICLE in English 1 Nov 90 p 1*

[By staffmember Arleen Chipongian]

[Text] The value of the peso [P] was pegged yesterday at P28 to the dollar in the first devaluation under the administration of Corazon Aquino. The devaluation is expected to trigger another increase in the prices of oil products and a chain effect on other prices, which in turn could prompt workers to demand even higher wages than they are demanding now.

The devaluation came in the fourth year of Mrs. Aquino's six-year presidency, a year marked by disasters that foretold her worst economic showing.

Drought, a devastating earthquake, floods and now a conflict in the Persian Gulf that has caused the price of crude imported from there to shoot up have forced her government to revise its growth forecast for this year from more than 6% to 3.5%.

In the same year, the peso, made to float as a matter of policy, without the benefit of an official devaluation, had weakened against the dollar to p25.75 from P21, where it had held since the last previous official devaluation, under the strongman regime of Ferdinand Marcos, her predecessor, in 1985.

The devaluation surprised some bankers, who believed that the Central Bank would continue to defend the peso, as it had done in the last six weeks, at P25.75, although speculation and dollar-hoarding seemed signs enough.

Indeed, until Tuesday Finance Secretary Jesus Estanislao had given public assurances that the peso was defensible at that level and that a devaluation was unlikely. But on the same day, President Aquino had said devaluation was being considered and that an announcement about it would come "at the proper time." That time was yesterday. Estanislao and Central Bank Gov. Jose Guisia Jr. announced the devaluation, calling it "depreciation" to be consistent with the policy of a floating exchange rate.

The devaluation, they explained, will be accompanied by structural reforms meant to stabilize the economy, now under severe strain from a huge trade deficit, $2.56 billion for the last eight months, up by 50% from last year's, and still growing as imports continue to outpace exports.

Cuisia said estimates by the Central Bank showed that, with the devaluation, export earnings for next year would increase by $300 million-$350 million and import payments would drop by $100 million-$150 million. That would narrow the estimated deficit from $1.1 billion to $800 million, he said.

With the dollar fetching more pesos, he went on, export industries and other dollar-earning ventures will be encouraged and importations discouraged.

But "proper reforms must complement" the devaluation to bring down, for instance, interest rates, now averaging 30%, he and Estanislao pointed out. They emphasized that the devaluation had "nothing to do" with what foreign creditors had wanted.

These creditors had found the peso overvalued and were reported to have made certain conditions, devaluation among them, before reopening credit to the Philippines.

The timing of the devaluation, signaled by the sale of $2 million by the Philippine National Bank to the Central Bank, was not lost on Cuisia. "Tomorrow's a holiday," he said, noting that immediate speculation was averted.

### Decline in Exports From Regions Reported

*HK0111123790 Manila PHILIPPINES NEWSDAY in English 29 Oct 90 p 8*

[By Garce C. Sison]

[Text] The export industry was not spared from the adverse effects of the July 16 killer earthquake as the three regions heavily affected by the quake reported lower report deliveries to pull down the sector's total export earnings for the first seven months of this year.

The Department of Trade and Industry, through the Bureau of Export Trade Promotion, reported that the three regions, namely Regions I (Ilocos Region), II (Cagayan Valley) and III (Central Luzon) which were heavily affected by the killer quake suffered sharp declines in their export earnings as of end-July. The aggregate export earnings of the three regions fell by 16.71 percent from $350.44 million during the first seven months last year to $291.89 million as of end-July this year.

"The damage done by the earthquake was so extensive, it set back agricultural and industrial activities in the affected provinces," one exporter explained. The quake isolated many cities, thus hampering the deliveries of many Philippine-made goods designed for the international market.

The problem was compounded by the lower export earnings of four regions during the period under review. With political uncertainties greatly slowing down the flow of both traditional and nontraditional products from the country, Regions IV (Southern Tagalog), VIII (Eastern Visayas), X (Northern Mindanao), XI (Southern Mindanao) suffered export declines of 43.88 percent, 6.75 percent, 1.43 percent and 8.55 percent, respectively.

However, the setbacks experienced by most regions was made up for by the sustained strong performance of the

National Capital Region [NCR]. Export deliveries from the NCR, comprising 61.36 percent of the total, reached $2,840.96 million, up by 9.94 percent from the yearago's $2,584.20 million.

**Philippine Exports by Region**

**January to July 1990 and 1989**

**(FOB values in million U.S. dollars)**

| Region | 1990 | 1989* |
|---|---|---|
| National Capital Region | 2,840.96 | 2,584.20 |
| I - Ilocos Region | 117.59 | 155.71 |
| II - Cagayan Valley | 0.48 | 3.82 |
| III - Central Luzon | 173.82 | 190.91 |
| IV - Southern Tagalog | 97.96 | 174.54 |
| V - Bicol Region | 15.07 | 10.48 |
| VI - Western Visayas | 92.31 | 84.36 |
| VII - Central Visayas | 407.72 | 323.97 |
| VIII - Eastern Visayas | 244.71 | 262.41 |
| IX - Western Mindanao | 75.66 | 75.57 |
| X - Northern Mindanao | 204.83 | 207.80 |
| XI - Southern Mindanao | 274.94 | 300.65 |
| XII - Central Mindanao | 84.17 | 72.26 |
| Total | 4,630.22 | 4,469.13 |

*1989 total includes adjustments amounting to P22.45 million.

Source: Bureau of Export Trade Promotion, Department of Trade and Industry

## Thailand

### Cambodian Factions Urged To Break Deadlock

*BK0211023590 Bangkok THE NATION in English 2 Nov 90 p A3*

[Text] Foreign Minister Subin Pinkhayan has called all the Cambodian factions to resolve as soon as possible procedural matters and work out something concrete which could be used as input during the upcoming meeting in Jakarta of a working group on Cambodia, Foreign Ministry sources said yesterday.

The call was made through to Cambodian resistance leader, Sonn Sann, during his courtesy call on Subin at the Foreign Ministry. The two discussed possible ways to reconvene the meeting of the newly-formed Supreme National Council (SNC) during their meeting. The first meeting of the council failed because of the four factions' squabbling over how to include Cambodian former monarch Prince Norodom Sihanouk in the council. International efforts to get the council activated have so far failed.

France and Indonesia, co-hosts of Paris International Conference on Cambodia (PICC), will call the working group's meeting on November 16 and 17. It will be attended by the co-chairmen of the PICC's three committees and representatives from the United Nations Security Council (UNSC). It is hoped that a comprehensive peace agreement can be drafted and endorsed in the PICC's working group meeting in Paris by the end of this month and signed later at the highest level meeting by December.

The sources also quoted Subin as telling Sonn Sann, the non-communist Khmer People's National Liberation Front (KPNLF)'s leader that the Cambodian resistance should now make assessment of the Phnom Penh's latest position to see whether they can accept Phnom Penh's demand for vice-chairmanship in the SNC.

Phnom Penh's official radio on Wednesday quoted Hun Sen as saying he was ready to come to a new meeting if the factions were prepared to deal with all issues including the chairmanship, the vice-chairmanship and a ceasefire. Hun Sen was commenting in response to a personal letter from Sonn Sann on the reconvening of the council's meeting. While the resistance wanted Prince Sihanouk to be elected the SNC's chairman and 13th member and let the chairman decide whether there should be the vice-chairman and 14th member.

Meanwhile the KPNLF's source in Bangkok told THE NATION that talks between a senior Australian government official and the Phnom Penh government on the Cambodian conflict have failed to make any progress over the SNC impasse, a resistance source in Bangkok said yesterday. The source said that the result of the meeting was conveyed to the faction's leader Sonn Sann when he met Australian Deputy Foreign Affairs Secretary Michael Costello on Tuesday.

The Australian official arrived here on Tuesday from Cambodia and Vietnam as part of Canberra's attempts to try to prevent the process of a peace settlement in Cambodia from failing altogether. No official at the Australian Embassy was available yesterday to confirm the report.

### Paper Views Preparation for Thai-Vietnam Summit

*BK0211103090 Bangkok THE NATION in English 2 Nov 90 p A8*

[Editorial: "Thai-Vietnam Summit"]

[Text] When former Vietnamese prime minister Pham Van Dong visited Thailand back in September of 1978, he told then Thai prime minister Kriangsak Chomanan that Vietnam wanted to coexist peacefully with Thailand. However, shortly after that famous remark, Vietnamese troops toppled the Chinese-backed Khmer Rouge government and were subsequently bogged down in Cambodia until last year.

After more than a decade, a new Thai-Vietnamese summit meeting is under preparation. Vietnamese Foreign Minister Nguyen Co Thach told Prime Minister Chatchai Chunhawan last week that the two countries

should intensify their bilateral relations, which have been hampered by the Cambodian conflict.

The call for another Thai-Vietnamnee summit is very timely. It comes at a time when positive changes have occurred in the region. The United States has already begun dialogue with Vietnam, its arch-enemy since the end of the Vietnam War. The leaders of China and Vietnam have met and discussed cooperation in ending the Cambodian war. Other countries, including the European Community, are planning to normalize their ties with Vietnam.

Thach was right when he said that friendship between Thailand and Vietnam should not be held hostage by the conflict in Cambodia. Like it or not, it was the Vietnamese invasion that put the country in a difficult position. The international community has frowned upon Vietnam for its aggression. And Thailand was among the first countries to renew a dialogue with Vietnam, amid harsh criticism from ASEAN because of the unresolved Cambodian war. Although peace in Cambodia is still not at hand, Vietnam has proved to the world that it is willing to cooperate to contribute to the peace process.

When Chatchai meets his counterpart Do Muoi in Thailand probably later this month, it will mark a new chance for mutual trust, which has eluded the two countries for the past decade. Thailand used to be very feartul of Vietnam because of its communist ideology and its powerful armed forces.

Such fear has slowly subsided and there is increased dialogue and exchanges of visits between the two countries. Only very recently did Thai officials feel more at ease with the Vietnamse community in Thailand—during the Cold War they were considered as a potential fifth column. With the end of the Cold War, the Thai government is finally ready to absorb the estimated 40-50,000 refugees left over from the Dien Bien Phu war.

Before the summit takes place, it is hoped that the two countries will be able to sit down and discuss the Vietnamese resistance groups alleged to be based in Thailand. Thailand has repeatedly denied that it has ever given support to these groups. However, evidence suggested otherwise. This issue must be put to rest now, lest it would continue to be a thorn in relations.

The two governments have already agreed to reactivate a joint committee on economic cooperation, which was set up during Dong's 1978 visit. However, the committee was not put into practice. Now that the Vietnamese government has invited Thai businessmen to invest new areas including oil exploration and exploitation of natural resources. [sentence as published] The plan to conclude an agreement on investment protection and promotion of trade would boost Thailand's future investment in Vietnam. Currently, major Thai investors are not ready to risk their capital in Vietnam.

Thai-Vietnamese friendship will form the main pillar of future peace and security in mainland Southeast Asia. The settlement of the Cambodian war would not only pave the way for increased bilateral ties, but it would strengthen Vietnam's ties with other countries, which in turn would benefit Thailand. But before a second summit can take place, the two countries must begin to work out their differences to ensure that their future ties can proceed without a hitch.

### Hanoi Receives Two Draft Accords for Study

*BK0211083690 Bangkok THE NATION in English 2 Nov 90 p A2*

[Text] The Foreign Ministry on Wednesday handed Vietnam two draft agreements to study, one on the establishment of a joint economic commission and the other on promotion and protection of bilateral investment.

The move came after a visit here by Deputy Vietnamese Prime Minister Nguyen Co Thach early this week, when he called for a revitatlization of the joint Thai-Vietnamese commission, set up under an agreement on Trade, Ecnomic and Technical Cooperation signed in 1978.

Sakthip Krairoek, director-general of the Information Department, said yesterday that Deputy Permanent Secretary Chet Sucharitkun invited Vietnamese Ambassador Nguyen Trung for a meeting on Wednesday, during which he handed the envoy two draft papers, which were to be forwarded to Hanoi for study.

The first paper was on the formation of a joint economic commission to promote trade and economic cooperation with a stress on natural energy, petroleum and gas exploitation, Sakthip said. The second draft would promote bilateral investment and guarantee private investments in either country.

Thach, who is also foreign minister, urged his Thai counterpart Subin Pinkhayan and Prime Minister Chatchai Chunhawan to see that the two nations take steps to promote economic ties, and called for an early summit between Chatchai and Vietnamese Premier Do Muoi.

Exchange visits by the two premiers were initiated last year. Thach proposed that the first summit be held in Thailand. Government Spokesman Suwit Yotmani said the meeting is expected to occur later this month in Chiang Mai and would last two to three days.

Sakthip yesterday said Premier Chachai asked the Foreign Ministry to extend an official invitation to Do Muoi, and that Thailand had proposed that the visit take place between November 17 and 30. The decision now rests with the Vietnamese side, he said.

The Chatchai-Do Muoi talks will be the first between premiers of the two countries since 1978, when former premier Gen [General] Kriangsak Chomanan visited Hanoi and met his counterpart Pham Van Dong.

## Editorial Sees Gains From Vietnam Oil Venture

*BK0211015890 Bangkok THAI RAT in Thai 1 Nov 90 p 3*

[Editorial: "Vietnam Is Abundant in Oil"]

[Text] Vietnamese Deputy Prime Minister and Foreign Minister Nguyen Co Thach made several visits to Thailand, both official and unofficial, but the most recent visit is of great significance, not only for Vietnam but also for Thailand, and we should understand Vietnam's intention in that visit.

At the meetings between Nguyen Co Thach, Prime Minister General Chatchai Chunhawan, and Foreign Minister Subin Pinkhayan, the most important issue discussed was not the Cambodian issue. It was not about the regional economic cooperation concerning Thailand's request for serious implementation of the Lower Mekong Basin Development Project. It was about Vietnam's desire to draw Thailand into a joint oil venture involving the huge offshore deposit found by Vietnam and estimated to yield about 500,000 barrels per day.

The discovery of this huge deposit was announced by the Soviet-Vietnam joint oil exploration venture only about three weeks ago. The deposit lies in a coastal area not under dispute with any other country. We must repeat that the huge deposit is estimated to produce about 500,000 barrels per day, the equivalent of Malaysia's full-capacity production. Vietnam may even be able to produce more than that. This must be why Vietnam's Prime Minister Do Muoi insisted upon having a meeting with General Chatchai in Hanoi.

Vietnam must be looking for a short cut to getting rich by striking a balance with the Soviet Union, since half of the crude drilled should belong to Vietnam. The Soviet Union has recently increased the price of oil sold to Vietnam and also asked Vietnam to pay in dollars or any other hard currency. Nguyen Co Thach stated Vietnam's interest several times. Thailand's five or six refineries should be enough to refine crude from Vietnam.

Thailand has experienced a shortage of crude at times, and quite often was threatened by shortage of petroleum products. Therefore this is a good opportunity for Thailand once and for all to secure a source of crude supply as well as petroleum products on a long-term basis. Thailand can ask Vietnam to pay for the refinery in finished products, and Vietnam should not have any objection to this since Vietnam itself is short of hard currency.

If Vietnam and Thailand can join hands in a joint oil venture involving the interests of both countries, the Cambodian issue, which has now become a problem involving the superpowers and the United Nations, might be very easy to resolve.

## Government Sets New Policies for Energy Sources

*BK0211040190 Bangkok BANGKOK POST in English 2 Nov 90 p 15*

[Text] The Government has set three policies for joint development of new energy sources in some neighbouring countries and disputed waters in the Gulf of Thailand.

Prime Minister's Office Minister Kon Thappharangsi, who is responsible for the country's energy policy, said the policies had been set by the National Energy Policy Committee, chaired by Prime Minister Chatchai Chunhawan, as a master plan for developing new energy sources to secure a sufficient supply.

The first policy decided by the committee is that PTT [Petroleum Authority of Thailand] Exploration and Production Co [PTTEP] forms a joint venture with the Burmese Government in developing crude energy sources in that country for supply to Thailand.

The second is that Thailand forms joint development programmes with some neighbouring countries, particularly Vietnam and Cambodia, in disputed waters in the Gulf.

Mr Kon said private concessionaires developing natural gas sources in the Gulf of Thailand see potential in disputed waters. The Government has decided to form joint development agreements with the two Indochinese states. Mr Kon said he will leave for Vietnam on November 14 for talks on the joint development agreement with its government. "Thai private firms and the Vietnamese government are interested in joint development programmes, so the talks should end positively." The development programmes with Vietnam and Cambodia will be similar to one launched with Malaysia in the Joint Development Areas (JDA), he said.

The third policy is that the PTTEP and the Petroleum Authority of Thailand jointly study the feasibility of joint investment with Malaysia and Indonesia in laying pipelines linking Thailand and the two countries for supply of gas to Thailand. "This will greatly benefit Thailand's economy," Mr Kon said.

The PTTEP has already completed preliminary study on the project and it will present it to the next meeting of the National Energy Policy Committee. After consideration of the study, the committee will recommend action to the Government.

The three projects will not only secure sufficient energy for development of Thai economy, but enable the country to develop a number of downstream projects which will geatly benefit the economy. Economies of neighbouring countries will also benefit from the joint projects with a spinoff for Thailand, he said. Meanwhile, the subcommittee on petroleum policy, of which he is chairman, on Tuesday will propose to the Cabinet a

policy to allow free establishment of oil refineries and also share holdings for the oil refinery planned by Shell Company of Thailand.

Mr Kon said the oil refinery projects of both Shell and Caltex Oil (Thailand) will be approved for promotional privileges by the Board of Investment [BoI], but their imported machinery will not be exempted from duty as the Government has already reduced the rate for general imported machinery to 5 percent. However, they will receive other privileges from the BoI.

## Subin Seeks Lao Cooperation in Mekong Project

*BK0211070090 Bangkok THE NATION in English 2 Nov 90 p A4*

[Text] Foreign Minister Subin Pinkhayan will propose a joint venture project on dam and reservoir construction on the Mekong River during his forthcoming visit to Vientiane on November 18-19, he told THE NATION.

The minister was buoyed by the positive response of his Laotian and Vietnamese counterparts to his proposal to revive the Mekong Interim Committee projects on power development cooperation in the lower basin of the river. He broached the matter with Phoun Sipaseut of Laos and Vietnam's Nguyen Co Thach during separate visits here in early October and earlier this week respectively.

Both foreign ministers agreed with his idea, he said, adding "there is now the political will on the part of the three foreign ministers and that should bring about directives for their officials to put the ideas into reality."

In his Bangkok talks with Phoun, Subin reportedly spent the majority of his time trying to sell the merits of reviving dam and reservoir construction projects along the Thai-Lao border. The Cambodian conflict did not enter into the recent meeting.

"I am very interested in these projects, which were mapped out back when I was a student. Later, I studied these projects at university and I was also involved as an adviser to the Mekong Interim Committee," he said. He said that even though a large sum of money had been spent on feasibility studies for these projects, and projects on the Mekong tributaries had been implemented, none on the main river had been started. Subin said he raised the issue with Thach as his first topic of discussion last Monday.

Thach was "enthusiastic and open-minded" about it, describing the long-shelved major power development projects, particularly those between Thailand and Laos, as "sleeping beauties" and Thailand as "prince charming," Subin said. Thach's blessing for the Thai initiative is expected to make Laos feel comfortable about entering into Thai-Lao power development cooperation, which far surpasses Thai-Vietnamese cooperation within the framework of the Mekong Interim Committee.

Commenting on the Pha Mong dam project on the Mekong River between Nong Khai and Laos, and the Nam Tuen Dam project inside Laos, Subin said he did not mind which of the projects was chosen. "I told Minister Phoun that the obvious area of Thai-Lao cooperation which would be of mutual benefit is water resource development—the construction of dams and reservoirs, and he agreed in principle," Subin said.

The foreign minister said that when he is in Vientiane, he will propose that Thailand and Laos enter a joint venture on the basis of a 50-50 share of equity for such projects, and also equally divide the revenue from whatever electricity is sold. "I will stress our sincerity in concluding a fair deal with Laos," he said. He said that such cooperation would be financially worthwhile, with Thailand certain to be the largest market for electricity production. "But anybody can buy, and if it's us, we won't expect a special price. The sale will be a business deal," he said. After a political agreement on the principles of joint investment and benefit sharing, officials of the two countries can start working out details, Subin said.

Foreign Ministry sources familiar with Subin's thinking said that the minister sees hydropower as the "cheapest and cleanest" source of energy as an alternative for Thailand to crude oil imports. Thailand now imports about 60 per cent of its crude, which has risen markedly since the advent of the Gulf crisis.

With the growing resistance by conservationist groups to the construction of new dams here, Subin reportedly feels that hydropower development should shift to the Mekong River on the common border with Laos or even inside Laos. Subin is wary of possible domestic resistance to the Pha Mong project, which would involve the evacuation of Thai villagers. Apparently, the minister prefers less controversial projects, the sources said. "Pha Mong is fine but the Nam Tuen projects in Laos are also interesting," Subin said.

He admitted that Thai-Vietnamese cooperation within the framework of the Mekong Interim Committee was not as crucial as that with Laos. But he aded that there were many areas of potential cooperation in the development of natural resources with Vietnam.

In his talks with Thach, Subin raised the possibility that the two countries could enter into a joint venture to exploit petroleum and gas deposits on an overlapping maritime area in the Gulf of Thailand. "We may form a joint development area (JDA) with Vietnam as we did with Malaysia, or we can make it a trilateral JDA involving Thailand, Malaysia and Vietnam," he said. Thach responded positively towards the suggestion, he said.

Other areas of economic cooperation include fisheries and jewellery making, said Subin, who noted that Vietnam is richly endowed with marine life, and precious stones that could be used as raw materials in Thailand's jewellery industry. Thach reportedly told

Subin that he would take him to visit ruby mines and the seashore, an area of great tourism potential, when the Thai foreign minister makes an official visit to Vietnam. Thach also proposed cooperation in marketing Thai and Vietnamese rice exports while Subin counterproposed that the two governments share information on the rice trade instead.

On Cambodia, Subin said that Thailand was ready to support UN operations during the interim transition period by sending troops to join the peace-keeping mission there. Thailand is also ready to help reconstruct Cambodia's economy following a peaceful settlement of the fighting, expected late this year or early next year, he said.

The minister said that his initiative to strengthen economic cooperation with the Indochinese neighbours was in line with Premier Chatchai Chunhawan's policy guidelines of restoring peace in Indochina and turning it into a trade zone. He also emphasized that Thailand still highly values its ties with ASEAN member countries and will continue to increase cooperation with the group.

## Saudi Arabia Urged To Lift Ban on Thai Visas

*BK0211060090 Bangkok BANGKOK POST in English 2 Nov 90 p 1*

[Text] Thailand is urging Saudi Arabia to scrap the ban on exit/re-entry visas for Thai workers in the desert kingdom which was introduced in reprisal for the assassination of three Saudi diplomats in Bangkok.

Riyadh has not issued entry visas for Thai workers since February. And Thais remaining in Saudi Arabia can't come home on leave without losing their jobs because they are unable to obtain the necessary documentation to get back in.

The general situation has resulted in an increasing number of Thais quitting their jobs in Saudi Arabia and returning to Thailand, Foreign Ministry spokesman Sakthip Krairiksh said. He cited the case of one company which has only 300 Thai workers left from an original number of 1,200 it employed before the visa strife.

The Thai Embassy in Riyadh predicted that by January next year this 300 will leave as well if the ban continues. "More and more Thai workers are considering leaving, and those companies do not want to see that because the Thai labour force is relatively skillful," the spokesman said. The Thai Embassy in Riyadh, with the help of countries including China, US and Japan, tried to persuade Saudi Arabia to relax exit/re-entry visas for Thai workers, he said.

Last week Thai Ambassador to Saudi Arabia, Likhasit Pansomchit, called on Director of Consular Affairs and Asian Department, 'Abd al-'Aziz al-Mashat, who was informed that the ban could result in negative consequences to both sides, as Saudi Arabia could face a skilled labour shortage. Currently 66 Thais in jail in Riyadh for a variety of offences are "doing fine", the Thai envoy was told. The group—44 men and 22 women—had been jailed on charges ranging from assault, possessing alcohol and marijuana, as well as prostitution.

Those convicted on alcohol-related offences are liable to three months to one year's jail and between 150-250 strokes of the cane. Twenty Thais were imprisoned on marijiana possession charges. Most of the women were detained on prostitution charges, sentenced to between six months to two years' imprisonment and 100-300 strokes of the cane. According to the report from the Thai ambassador who visited these workers in prison recently, they are all in good health. They are all given a monthly allowance of some 400 baht.

## 1990-91 Aid Program From Australia Outlined

*BK0111123590 Bangkok Domestic Service in English 0000 GMT 1 Nov 90*

[Excerpt] Thailand ranks fourth as Australia's partner in bilateral technical and economic cooperation programs. A grant aid of Australian $24.5 million, or 490 million baht, has been announced for Thailand by the Australian Government for fiscal year 1990-1991.

Briefing reporters at the embassy yesterday, Australian Ambassador to Thailand Richard Butler elaborated on the main thrusts of the cooperation program as education and training, agricultural and rural development, energy and resources, transport and communications, and land use.

In addition, the Australian Government will make available to Thailand an estimated sum of Australian $17.78 million grant aid as supplementary assistance to the bilateral program through the Australian support of regional institutions, including SEAMEO [Southeast Asian Ministers of Education Organizations], AIT [Asian Institute of Technology], ESCAP [Economic and Social Council for Asia and the Pacific], and other small-scale assistance channelled through multilateral organizations, NGO's [non-governmental organizations], and the Australian Center for International Agricultural Research. The [words indistinct] scholarship scheme, support for the international efforts with refugees in Thailand, and a development import finance facility grant of approximately 220 million baht. This is the second installment of a grant in support of a contract signed last year between the State Railway of Thailand and Westinghouse [word indistinct] and Signal Company Ltd for major railway signals project.

The educational program, in particular, focuses on poorer regions of Thailand, Ambassador Butler points out, saying that Australia remains committed to continuing support for Thailand's efforts to stimulate economic growth, as well as providing special assistance to Thailand's rural areas. [passage omitted]

## Vietnam

### SRV Reduces Armed Forces by Half Since 1987

*OW0111123290 Tokyo KYODO in English 1211 GMT 1 Nov 90*

[Text] Hanoi, Nov. 1 KYODO—Vietnam has reduced the strength of its armed forces by half to 700,000-800,000 during the past three years, Vietnamese military sources said Thursday.

The Vietnamese Government started to cut back on armed forces personnel in 1987, the sources said. Vietnam's Armed Forces, the largest in Southeast Asia, totaled 1.5 million at the end of 1978 when Vietnam sent its troops to Cambodia.

The government will continue to reduce the military and will submit a bill to the National Assembly later this year to revise the military conscription system to shorten the term of service from two years to one year or one and a half years, they said. The reduction has been carried out not only in the Army, the Navy, and the Air Force but also in regional forces, and most of the 50,000 soldiers withdrawn from Cambodia in September last year have been discharged from military service, they said.

Some of those discharged from military service have returned to home villages or gone abroad to work, but many from Hanoi and Ho Chi Minh City have remained unemployed, they said.

The sources said the government decided to shorten the term of service because the educational standards of draftees has been high and it is desirable to use them for economic construction, and because the equipment and technology of the armed forces have been modernized.

The Vietnamese Navy will mainly use the facilities of Cam Ranh Bay after the Soviet Navy withdraws from there in the future but it is likely that Vietnam will allow foreign vessels, including U.S. ships, to use the facilities for economic purposes, the sources said.

### Do Muoi Discusses Suharto Visit, U.S. Ties

*BK0111125290 Jakarta THE JAKARTA POST in English 22 Oct 90 p 1*

[Text] Hanoi (JP)—Vietnam's prime minister, Do Muoi, told a visiting Indonesian delegation over the weekend that President Suharto's scheduled visit to this capital next month would carry "a strategic significance." "The visit will open a new page in the history of relations between Vietnam and Indonesia. It is not only important to our country but surely will be of importance in the context of our regional development," Do Muoi said.

Indonesian Embassy sources here told THE JAKARTA POST President Suharto's visit to Hanoi is scheduled between Nov. 19-21, after he completes an official visit to China.

Vietnamese officials who took part at a two-day conference with an Indonesian delegation sponsored by the Jakarta-based Center for Strategic and International Studies (CSIS) in Ho Chi Minh City last week put great importance on President Suharto's visit to Vietnam and expressed the hope that a number of concrete bilateral projects can be launched.

"We need oil products and urea fertilizer to sustain our agricultural productivity," an official said, while admitting the fact that aid from the Soviet Union and the Comecon countries in the form of subsidized prices for main commodities had been reduced.

The meeting with PM [Prime Minister] Do Muoi was arranged at the request of the Indonesian delegation which included social scientists, corporate executives, media editors, an official of the Ministry of Defense, and Security and CSIS staff members. Special privileges were given to the editors of KOMPAS daily, TEMPO newsweekly, EKSEKUTIF business monthly, and THE JAKARTA POST to ask specific questions of the Vietnamese prime minister. Ambassador Aswismarmo, the Indonesian chief of mission in Hanoi, was present during the entire meeting which lasted for more than one hour.

Do Muoi reminded the Indonesian visitors that Southeast Asia will play an important role during the 1990s which would be of great interest to extra-regional powers. "The important thing, however, is that countries in this region should cooperate with each other in order to jointly develop this region," he said.

Do Muoi also discussed efforts to normalize the official Hanoi-Washington diplomatic relations. He told the Indonesian editors "if Indonesia would help us in this (the efforts) we would be very grateful."

The Vietnamese premier appeared excited when the Indonesian editors pressed him to state clearly if he would officially request Jakarta to play a role in speeding up the process of normalizing the Hanoi-Washington diplomatic ties. "We hope that our friends will help to solve it," he said.

"I have touched on the issue several times through my receptions given to U.S. senators and also to Mr Watanabe (former Japanese finance minister), to convey the message to the U.S. President. The message was: Historically, the U.S. made an error, but we consider it a matter of history. We are now looking into the future. We hope it is time the U.S. and Vietnam normalize relations. It is beneficial to both countries; it also is beneficial to the situation in the whole area," Do Muoi noted.

The Vietnamese leader went on to say that contacts had been made between officials from both Washington and Hanoi, the latest being Foreign Minister Nguyen Co Thach and Secretary of State James A. Baker.

"Generally the focus now is on the solution of the Cambodia issue, and the solution to the MIA question.

What should be noted here is that the U.S. recently signed a decision to continue a trade embargo against Vietnam for another year. The U.S. continues to create obstacles for the improvement, of (Vietnamese) relations with international organizations such as the World Bank and IMF. Some American senators recently told me the issue of normalization with Vietnam is a sour question for Americans. I understood that but we are not to blame," Do Muoi stated.

Asked if he was hoping Jakarta would play a role in speeding up the normalization process, Do Muoi said that he would welcome the idea and that it would be good if "friends" would contribute in realizing it. "Only some among the (Bush) administration circles were against it. Congressmen are supporting this normalization process," he said.

Do Muoi criticized the U.S. attitude towards normalization by presenting the following explanation: "It is interesting to observe here that in a democracy the minority has to follow the majority. In IMF there are 160 member countries. Last year only two countries, namely the U.S. and Japan, voted against normalization. At the recent meeting, only the U.S. (opposed giving aid to Vietnam). But more than 150 countries gave in. I think the U.S. Government has continued to make the same mistake. They should have been helping us after the war to recover our economy. But instead of helping us..., they continued to embargo against us."

Premier Do Muoi said he was puzzled by Washington's attitude towards Vietnam. He said on the one hand Washington was campaigning for human rights and democratic principles, but on the other continuing the embargo against Vietnam.

## FRG, Danish Economic Delegations Visit

*BK0211014690 Hanoi VNA in English 1505 GMT 1 Nov 90*

[Text] Hanoi VNA Nov. 1—A delegation of the Federal Republic of Germany's Ministry of Economic Cooperation headed by Martin Greiff, head of its Department for Southeast Asia and the Pacific, has paid a visit to Vietnam.

While here it discussed with the Vietnamese side ways to use seven million DM [German marks] as FRG Government's aid for 1990 and the economic cooperation between Vietnam and the United Germany.

Meanwhile, a delegation of more than 20 Danish businessmen headed by Sven Erik Nordberg, head of the Department for East-West Cooperation and [words indistinct] of the Danish Foreign Ministry, has also paid a visit to Vietnam.

The two delegations were received on separate occasions by Deputy Foreign Minister Vu Khoan who discussed with his guests measures to promote the economic cooperation between Vietnam and the FRG as well as Denmark. Vietnam and Denmark agreed to continue the implementation of the Vietnam-Denmark agreement on economic and industrial cooperation signed in 1977. Firstly, the joint committee will resume its meeting soon to discuss concrete measures.

The FRG and Danish delegations met with some concerned offices and visited various economic establishments to inquire into the expansion of bilateral cooperations.

## Ho Chi Minh City Hosts Economic Meeting

*BK0211021390 Hanoi VNA in English 1455 GMT 1 Nov 90*

[Text] Hanoi VNA Nov. 1—A meeting between producers and businessmen of Singapore, Macao, and Vietnam has been held in Ho Chi Minh City under the sponsorship of the city's Economic Institute and the Information Resources Center of Singapore (ICR).

The participants at the meeting exchanged views on the production, consumption of goods, cooperation and joint ventures in producing a number of commodities. Foreign businessmen expressed their wish to establish trade relations with the city's engineering, rubber, and sea product branches.

The Ho Chi Minh City Food Company and the (Wewony) Food Industry Group of Taiwan Glutamate have entered a joint venture in building a monosodium factory with an annual capacity of 20,000 tons. Its legal capital is US$38,725,000, 60 percent of which is contributed by the Taiwan side.

## UNICEF Goodwill Envoy Arrives for Visit

*BK0111054090 Hanoi VNA in English 1503 GMT 31 Oct 90*

[Text] Hanoi VNA October 31—Ms. Audrey Hepburn, goodwill ambassadress of the United Nations Children's Fund (UNICEF), arrived here today for a three-day visit to Vietnam.

She was warmly greeted at the government guest house by Deputy Foreign Minister Le Mai who expressed his belief that her visit would contribute to the promotion of the effective cooperation between UNICEF and Vietnam.

Present on the occasion were Tran Tri Dao, deputy minister of education and training; Tran Hieu, deputy minister of labour, war invalids and social affairs; Nguyen Thi Than, vice president of the Vietnam Women's Union; and Tarique Farroqui, UNICEF representative in Vietnam.

## Paper Urges Building Strong Party Organizations

*BK0211011490 Hanoi Domestic Service in Vietnamese 2330 GMT 29 Oct 90*

[QUAN DOI NHAN DAN 29 October Editorial: "Concentrate Efforts on Building Pure, Stable, and Strong Party Organizations"]

[Text] Various echelons of party organizations in the Army are launching a campaign to improve party organizations, purify party ranks, and enhance party members' capability to strengthen the party leadership over the Army. This is also aimed at creating favorable conditions for the upcoming Seventh Communist Party of Vietnam [CPV] Congress.

Building a pure, stable, and strong party is an essential task that will ensure success for all duties. The task is more significant and urgent especially when complicated changes are happening in the world and the renovation process—full of difficulties—is going on in Vietnam. Reality shows that it is necessary to have a firm and decisive leadership in every unit, especially those at the grass-roots level, to implement the renovation cause and to cope with quick changes and arising problems at present. If party organizations have been consistently consolidated, purified, and strengthened they will help enhance collective leadership and intellect while upholding the party members' exemplary role, thus being able to integrate the people and enhance their confidence in the party. In this condition, units will firmly advance further to fulfill the assigned tasks despite numerous difficulties. On the contrary, units with favorable conditions, but where collective leadership is neglected and party member quality is belittled, will face weaknesses and failure. This will encourage more party members to become degenerate, having an adverse effect on and damaging the people's confidence in the party.

The Sixth CPV Congress has emphasized this valuable lesson. To implement the congress resolution, the party has designed a major campaign to enhance the militancy of party organizations and the state mechanism and to purify social activities. This campaign has been carried out extensively at all party organizations in and outside the Army. Various criticism and self-criticism drives by echelons of party cadres and actions to expel disqualified members from the party have further enhanced party leadership and party member quality. Achievements, though, are still minor because the leadership role of many party organizations has not been improved remarkably and quality of party members has not been enhanced consistently. Moreover, negative phenomena in the party and among party members are still prevalent and developing.

Recently, party organizations in the Army and throughout the country have positively carried out a campaign to urge party members at all echelons to implement the party statutes. This is a political activity aimed at enhancing the quality of party members, consolidating party organizations, strengthening membership management, and finding out strong and weak points of party committees and members to help them map out plans to overcome their shortcomings. A recent review shows that old and new issues have been positively resolved, thereby contributing to purifying the party and initially restoring the people's confidence in the party.

A survey at several key units shows that changes for the better have been achieved slowly. Appraisal of tasks was carried out vaguely just for the sake of form, while in some localities the party leadership role and militancy are deteriorating. This indicates that echelons of party committees as well as party cadres and members have not firmly grasped the spirit of the campaign, thus implementing it inconsistently. Moreover, efforts to strengthen the party militancy were weak, criticism within the party was not serious, and attention to solicit the people's ideas to improve the quality of party members was neglected.

The Council of Ministers recently issued a decision on anti-corruption. This is a step further in supplementing the above campaign that is aimed at enhancing the militancy of the party and state machinery and at purifying social activities. As a result, party organizations in the Army must concentrate efforts on opposing corruption and encouraging party members to implement the party statutes while striving to oppose all negative phenomena in the party. They should, particularly, examine and seriously deal with old and new cases of violations in daily life.

Most importantly, we must make all echelons of party committees as well as party cadres and members understand profoundly the significance of building a pure, stable, and strong party in the present situation, while striving to make them realize that it is an urgent and most important task. We should point out to them that the task will help strengthen the political quality of party members so that they may realize their responsibility and enhance their determination to fulfill the task effectively, thereby contributing to enhancing the party capability and prestige, developing the party members' exemplary characteristics, and restoring and consolidating the close relationship between the party and the masses. This will help create a vigorous step forward in the Army in order to advance, together with the entire party and people, toward the upcoming historic Seventh CPV Congress.

## Australia

### Hawke, Leaders Discuss Reforming Federal System

*BK3110122890 Hong Kong AFP in English 0739 GMT 31 Oct 90*

[By Jack Taylor]

[Text] Brisbane, Australia, Oct 31 (AFP)—The six states of Australia, which for 90 years have behaved like autonomous countries, are nudging towards unification under a pact hammered out by their leaders here Wednesday.

One major achievement was agreement for a single rail freight network, instead of one for each state and a seventh under national control, all incompatible with each other. Militant truck owners, who will be forced to pay higher road charges under a plan favouring rail freight, have warned that it could mean confrontation on a grand scale.

The two-day conference was described as "historic" by Prime Minister Bob Hawke and by the state premiers who attended.

Australia, which was federated in 1901, is often described as the most governed country in the world, with a national government and a separate administration for each of its six states and two territories.

Mr. Hawke also envisaged a national referendum, saying he hoped for bipartisan agreement on a four-year term instead of the present three for the Australian Parliament.

A communique announced progress on a wide range of issues intended to speed national micro-economic reform, with measures to cut through a maze of differing regulations inhibiting an efficient national economy. One of the objectives will be to identify areas where national standards are needed, the communique stated.

Priority areas for study include the need for uniform packaging and labelling of products, including food which at the moment is produced under six separate sets of regulations. Laws covering areas such as chemicals manufacture, industrial relations and planning and building regulation would also be brought into line. In at least one area the states are likely to be given increased powers following agreement for a review that could lead to them taking over some taxation from Canberra.

The review was considered the most important and potentially the most controversial conference decision.

A special committee will study how the states can be given more financial independence from Canberra without diluting the national government's control of national economic policy.

Mr. Hawke said later that the conference had introduced a new common sense and constructive dimension to relations between the national government and the states. It had also accepted and discharged the responsibility of creating a more efficient and effective government. "The conference made some specific decisions, such as agreeing on a national rail freight corporation and uniform food standards," Mr. Hawke said.

Neither the national government nor the states could ask the community, businesses or trade unions to be more efficient and competitive without overhauling their own operations, he said. He added that his hopes of cooperation and a commitment of leadership at the conference had been "more than exceeded".

South Australia's Premier John Bannon said the conference represented one of the "most rapid and far reaching changes ever seen in Australia". At last Australia as a nation "is waking up to its place in the world," Mr. Bannon said.

Nick Greiner, the conservative premier of the most populous state, New South Wales, said the most significant potential gain was not in the communique. The conference had irretrievably changed the political mind set in Australia, he said.

There had been consistently in Australian history mind sets which were adversarial rather than cooperative and negative rather than positive, Mr. Greiner said. "That's bedevilled so much of politics and public policy in Australia."

There was now a dramatic change in those attitudes, Mr. Greiner said, but he warned that some of the "empires" that could be affected by the changes would strike back. These could include some ministers, some bureaucracies and some private vested interests.

"There is no doubt that the process of change, which is undoing what are often long and well established narrow, vested interests, is going to be difficult," Mr. Greiner said. But he added that he did not propose to brook any opposition from any of those empires in New South Wales.

### Hawke Warns Against Asia-Pacific Trading Bloc

*BK0111094890 Melbourne Overseas Service in English 0500 GMT 1 Nov 90*

[Text] The prime minister, Mr. Hawke, has backed his trade minister in warning that Australia could be forced into an Asia-Pacific trading bloc. The trade negotiations minister, Dr. Blewett, said such a situation could occur if the current round of world trade talks fail. There is barely a month to go in the four-year round, and talks are stalled over agricultural trade subsidies.

The prime minister said Australia will fight harder than anyone else to get a positive outcome from the negotiation. Yesterday, the trade negotiations minister, Dr. Blewett, said if the talks failed, Australia may be caught up in a serious trade war between Europe and United States, which would have a devastating effect on Australia's wool, wheat, and manufacturing sectors.

## New Zealand

### Former Premier Expresses 'Anger' Over Cabinet

*BK0111122790 Hong Kong AFP in English 1045 GMT 1 Nov 90*

[By Michael Field]

[Text] Wellington, Nov 1 (AFP)—Former New Zealand Prime Minister Sir Robert Muldoon expressed anger at being left out of a new cabinet announced Thursday, and warned he would be a "little prick" to new Premier Jim Bolger. Sir Robert's warning—less than a week after the National Party's election victory—signaled that the country could be torn by the same economic policy struggles that dominated the last years of the outgoing Labour government.

The attack from Sir Robert, who refused a post outside cabinet, came as Mr. Bolger announced a new 20-strong lineup after Saturday's election victory. The new cabinet is to be sworn in Friday by Governor-General Sir Paul Reeves.

Most interest had focused on what Mr. Bolger would do with Winston Peters, the leading National Party politician in preferred prime minister polls and ambitious for the leadership. But Mr. Bolger made him 17th in the cabinet, with the job of minister of Maori affairs.

Sir Robert, prime minister from 1975-1984, is not normally easily accessible to the local media, but made himself available after the new cabinet lineup was announced. Television New Zealand and the New Zealand Press Association separately asked him if he intended to be a thorn in the government's side.

"No, I'll be a little prick," he told them in separate interviews, adding that he wanted a job inside cabinet. "I've been around a long time and I believe I had something to offer a cabinet."

But he said Mr. Bolger only offered him positions outside the cabinet that would have left him unable to criticise the government unless he resigned his portfolio. "A minister outside cabinet has no input into final cabinet decisions yet he is bound by the rules not to criticise them publicly....," Sir Robert said. "I explained to Jim Bolger I couldn't accept that situation where, particularly in economic policy, I might find myself differing from what the cabinet decides," Sir Robert said.

If he had been inside cabinet, he could have kept it "honest," said Sir Robert, who has in the past been critical of the economic views of the newly appointed finance minister, Ruth Richardson. He said Ms. Richardson had held "fairly extreme views" and National had agreed in caucus to moderate her views when disagreement arose. "But now that the National Party is in government she will clearly be given treasury and reserve bank advice which is contrary to our policy and (she) may be disposed to accept that," Sir Robert said.

Ms. Richardson favours free market economics while Sir Robert, when he was both prime minister and as minister of finance, operated an interventionist left-leaning economic policy.

Sir Robert said the cabinet lineup was "fairly predictable", adding that it had a difficult task "and (in) a few months time we will see whether it is up to it."

Mr. Bolger told reporters Thursday he had offered Sir Robert the positions of minister of state, minister of Pacific Island affairs, minister of racing and minister in charge of the National Library, all positions outside cabinet and regretted Sir Robert's decision not to accept the offers. "I have brought this cabinet together after very careful consideration of the responsibilities facing the incoming government," Mr. Bolger said of the new lineup, which mirrored the shadow portfolios when National was in opposition.

Meanwhile, Mr. Peters made it clear he had not been silenced by his portfolio Thursday, when he attacked one of the key planks of National's economic policy. He criticised the new government's commitment to using monetary policy to achieve zero to two per cent inflation by 1993—the outgoing government was aiming for the same target by 1992.

"It was economic drivel, it is economic drivel and it will be in the future," Mr. Peters said shortly after being named to the Maori Affairs portfolio. "That's the reason why the Labour Party lost the election so disastrously."

He said he would continue to express the views that had brought him into conflict with Mr. Bolger in the past. He said his portfolio gave him a wide range of issues to comment on "because Maoridom is interested in the economy, electoral reform, and the state of our foreign affairs." "They're interested in all matters to do with the ordinary population of New Zealand so I think it's going to be an exciting period for everyone concerned," Mr. Peters said.